

**TOWN OF NORTH READING
DRAFT HOUSING PRODUCTION PLAN**



North Reading Community Planning Commission

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TOWN OF NORTH READING HOUSING PRODUCTION PLAN

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(We'll add to this as the planning process continues)

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TOWN OF NORTH READING HOUSING PRODUCTION PLAN

1. EXECUTIVE SUMMARY

North Reading has long been recognized as a desirable community, acknowledged in particular for its fine schools, appealing housing stock and neighborhoods, easy commutes to Boston, and proximity to expanding employment opportunities and other businesses rimming Route 128. However, based on a widening affordability gap largely outside of the Town's control due to demographic and economic conditions, some previous residents have had to leave the community, some existing residents are struggling to stay, many who were raised in town cannot afford to raise their own children locally, and most local workers are priced out of the housing market.

In recognition of this situation, the Town has prepared this Housing Production Plan to promote strategic planning for future residential development that will fit its own needs for more diversity in housing types and affordability while still largely complementing North Reading's community character.

1.1 Summary of Significant Demographic, Economic and Housing Characteristics and Trends

Demographic Trends – Continued population growth with projected decreases in younger residents and significant gains in older ones.

The Town's total population grew substantially after World War II through 1970. Following a period of relative stability, the population has grown significantly again over the past couple of decades and is now up to about 15,500 residents.

While the total population grew by 24% between 1990 and 2010, the older middle-age population ages 45 to 64 increased by 80% and those 65 years of age or older increased by 70%. Projections under the MAPC "Stronger Region" estimates (see Section 3.2) suggest that those 65 years of age or older are estimated to grow to 3,679 residents by 2030 to comprise 22% of all residents and almost doubling in number since 2010. The redevelopment of the Berry site for age-restricted housing will provide new opportunities for those 55 years of age or older, however all units will be market priced.

Population projections from the Metropolitan Area Planning Council (MAPC) estimate that the population will reach 16,511 residents by 2030, about 11% more than the 2010 census figure. The State Data Center at the University of Massachusetts' Donahue Institute predicts higher population growth to 17,160 residents by 2030.

On the other end of the age range, the population of children under age 18 grew somewhat between 1990 and 2000 and then leveled out at about 3,800 residents between 2000 and 2010 to comprise about one-quarter of all residents. The 2015 census estimates suggest a decrease to 3,402 residents and 22.1% of the population. This decline in children is reflected in decreasing North Reading

Public School student enrollments from a high of 2,811 students in the 2007-08 school year to 2,496 students by 2016-17, representing a loss of 315 students during this period or 11%.

The MAPC “Stronger Region” figures (see Section 3.2 for details) estimate that those under age 20 will continue to decline from 4,071 to 3,463 residents by 2030 (2,659 for those under age 15) for a population loss of 15% (loss of 13% for those under age 15).

There were also overall declines in the other age cohorts through age 45 but population projections suggest some increases in these age ranges with decreases of those age 20 to 24.

Projected population changes suggest the need for housing alternatives to accommodate the increasing population of seniors and their lifestyle changes such as more handicapped accessibility, smaller units, housing with supportive services, more in-home support and social connections and units without substantial maintenance demands. Additionally, more affordable starter housing opportunities to attract young adults, including young families, should be promoted to reduce significant losses of this segment of the population that adds so much vitality to the community.

While North Reading’s population grew by 24% between 1990 and 2010, the percentage of households increased by 34% from 4,065 to 5,439 households.¹ **Family households decreased** from 80.6% of all households in 1990 to 73.6% in 2010 and then were estimated to increase somewhat to 75.9% by 2015.

Reflecting more smaller and non-family households, the average household size decreased from 2.90 to 2.71 persons between 1990 and 2010, more in line with expected trends towards more “child-free” and “child-delayed” families and especially increases in empty nesters. In fact, **those living alone grew by 38% between 2000 and 2010**. These single-person households, who were headed by someone 65 years of age or older, increased by 44% between 2000 and 2010 and then were estimated to increase still more to 477 such households or by another 8.9% of all households by 2015.

Economic Trends – High average incomes but notable income disparities

Incomes have increased significantly over the years with the **median household income level increasing by 134% since 1989, from \$52,707 to \$123,103 by 2015, much higher than the rate of inflation during this period of 91% based on the Consumer Price Index (CPI)**. The growing prosperity of North Reading’s residents is also reflected in the increasing proportion and numbers of those earning more than \$100,000, going from 7.8% of all households in 1989 to 59.3% by 2015 compared to about 34% for the state and 43% for Middlesex County.

Nevertheless, while many in the community continue to prosper, there are some who are struggling financially. For example, based on 2015 census estimates, 615 households or 11.4% of all households earned less than \$35,000. Consequently it is not surprising that many are paying far too much for their housing and struggling to remain in town.

Poverty, while low in comparison to county and state levels of 8.3% and 11.6%, respectively, has fluctuated significantly over the past several decades but in general has grown² from 2.1% in 1989 to 3.3% by 2015, doubling in the number of residents living in poverty to 508 residents from 246. Poverty among families increased from 1.1% in 1989, to 3.8% by 2010, and then was estimated to decrease to 1.3% by 2015. There have been fluctuations in the poverty rate among those 65 years of age or older,

¹ The U.S. Census Bureau defines families as a householder and one or more persons living in the same household who are related by birth, marriage, or adoption.

² The federal poverty levels for 2016 were \$11,880 for a single individual and \$20,160 for a family of three (3).

but overall it decreased from 13.9% in 1989, to 8.4% by 2010, and then was estimated to have decreased further to 6.3% by 2015, still leaving 135 residents living in poverty.

There are also **growing income disparities** between renters and owners. About one-third of renters earned less than \$35,000 in 2015, more than four times the percentage of homeowners in this income range. On the other hand, about 64% of the homeowners earned more than \$100,000 compared to only about 4% of renters. The disparity of incomes by tenure is also reflected in median income levels of \$52,917 and \$131,382 for renters and owners, respectively; up considerably from the 2000 median income levels of \$35,081 and \$81,422.

Despite a relatively high average weekly wage, many of those working in North Reading would still likely find it challenging to compete in the current housing market.

Those working in North Reading were earning on average less than one-third of North Reading residents. For example, the average weekly wage was \$1,372 which approximates an annual wage of about \$71,600. This is 58% of the median household income of those living in North Reading of \$123,103.

Of all North Reading residents in 2015, **1,135 or 7.4% claimed a disability.** While lower than the 9.0% and 11.5% levels for the county and state, respectively, this still represents significant special needs within the North Reading community. As the population continues to age, with those 65 years of age or older predicted to double by 2030, the level of special needs in the community will grow.

Housing Trends – Recent slowdown in housing growth but increases in multi-family development

Only about 7% of the Town’s approximately 5,700 housing units predates World War II followed by significant housing growth in the 1950s and 1990s when 959 and 906 units were produced, respectively. Since 2000, about another thousand units have been created including 524 multi-family units (433 SHI units).³ MAPC “Stronger Region” projections (see Section 3.2) suggest continued high housing growth to 7,050 units by 2030 from 5,633 in 2010, representing a gain of about 1,400 units.

Between 1990 and 2010, about three-quarters of this housing growth occurred in the owner-occupied supply with a growth rate of 28%. While a relatively small segment of the housing stock, at about 15% of all occupied units, rental housing represented about one-quarter of the new housing growth between 1990 and 2010.

A review of building permit activity between 2010 and 2016 suggests **substantial teardown/replacement activity** with 93 demolition permits issued since 2008, all of which likely involved the replacement of more modest homes with larger more expensive ones. In fact, **housing growth has generally been fueled by large home construction as homes with nine or more room almost doubled in number between 2000 and 2015, involving 75% of the increase in the housing stock** and with a median house size of 6.9 rooms. In addition, those units most appropriate for single persons, with four (4) rooms or less, comprised only 18.7% of the housing stock. Given that 52% of North Reading’s households included single individuals or two (2) persons, a substantial portion of households might be considered “overhoused.”

³ Units in the Subsidized Housing Inventory (SHI) are approved by the state as affordable although 304 SHI units at Edgewood are market priced as state guidelines allow all units in rental developments that are approved through Chapter 40B or Local Initiative Program (LIP) to be included in the SHI towards reaching the state’s 10% affordability threshold.

North Reading's housing prices have been increasing. The median single-family sales price was \$508,950 as of the end of 2016, up from \$472,700 in 2015 and the highest in the town's history. These prices confirm a **relatively resilient "inelastic" housing market** as current values have surpassed pre-recession levels prior to the "bursting of the housing bubble". This is not the case for many communities in the state including nearby Middleton and North Andover for example. Given these rising prices, it is not surprising that Town Assessor's data indicates that there is very little affordability remaining in North Reading's single-family housing stock with less than 200 units assessed below \$300,000.

For those earning at 80% of area median income limit (\$65,750 for a family of three), the affordability gap is \$272,950, the difference between the maximum they could afford of approximately \$236,000 and the median single-family house price of \$508,950. These calculations are also based on the ability of the purchasers to qualify for a subsidized mortgage such as the ONE Mortgage Program or MassHousing offerings and the purchaser spending no more than 30% of income on housing.

The condo market, including 755 units, has experience more volatility in terms of both values and volume of sales with a median price of \$229,000 in 2016. About 57% of these condos were assessed below \$200,000, and therefore remains relatively affordable. There is consequently a much lower affordability gap of \$24,000 for those households earning at the 80% of area median income limit or the difference between the median condo price (\$229,000) and what a household earning at \$65,750 could probably afford (\$205,000).

There are very few available listings of rental opportunities in North Reading, particularly apartments, but what few exist suggest that market rents are even higher than the \$1,482 gross monthly rent indicated by 2015 census estimates. Nevertheless, even a low-priced market rental of \$1,500 for a two-bedroom unit would require an income of about \$60,000 without consideration for utilities that would boost the required income closer to \$68,000 (assuming \$200 in average utility bills and not paying more than 30% of income on housing costs). The median income earning renter (\$52,917) could afford a rent of only about \$1,123 under the same assumptions.⁴ Even affordable rents at Edgewood for example, are far beyond this level.

In the context of rising prices, largely the result of housing demand outstripping supply, it is also not surprising that vacancy rates are so low with a **vacancy rate of zero (0%) for rentals and 1.3% for ownership.**

Also given such high housing prices, it is not surprising that so many North Reading households are paying far too much for their housing. A special HUD report indicates that *of the 5,260 households included in this analysis, 1,645 or 31% were reported with cost burdens as they were paying more than 30% of their income on housing costs. Moreover, of these households, 720 or about 14% of all households were spending more than 50% of their income on housing.*

590 households or 48% of households earning at or below 80% of area median income were spending more than half of their income on housing costs and thus were experiencing severe cost burdens.

There were 1,230 households, or 23% of all households, who were earning at or below 80% of median income for the Boston area. Of these, 885 households or about 72% were experiencing cost burdens.

⁴ Housing costs including an average monthly utility allowance of \$200.

It is particularly notable, that 760 households earning more than 80% of area median income, or 14% of all households, were also overspending. Consequently, cost burdens are spread along a wide range of incomes, the great majority being homeowners.

North Reading has made considerable progress towards reaching the state's 10% affordability goal under Chapter 40B, up to 9.59%. This means that the Town has a gap of only 23 affordable units to reach the 10% affordability threshold when it will no longer be susceptible to zoning overrides by comprehensive permit applications that are determined to be inappropriate and do not meet local needs. Housing growth will drive the 10% goal upwards, as adjusted by each decennial census, and therefore it is a moving target.

1.2 Summary of the Housing Needs of Target Populations

Based on input from a wide variety of sources including census data, the HUD report on cost burdens, market information, interviews with local and regional stakeholders, public meetings, state requirements, as well as prior planning efforts, this Housing Plan recommends that there be a ***focus on rental unit development*** based on the following important considerations:

- Target the needs of the community's most vulnerable residents with very limited financial means as rental housing is typically more affordable and requires less up-front cash.
- Promote greater housing diversity as North Reading's housing is predominantly large single-family homes. More housing options are necessary to meet the needs of local workers who are priced out of the housing market, children who grew up in North Reading and want to raise their own families locally, and empty nesters for example.
- Invest local resources in support of greater numbers of households/occupants over time as rentals turnover more regularly than ownership units and more households will benefit.
- Provide opportunities for some seniors who are "overhoused" and spending far too much on their housing to relocate to more affordable and less isolated settings, opening up their homes to families requiring more space.
- Leverage other funds as state and federal resources are almost exclusively directed to rental housing development, family rentals in particular.
- Enhance the ability to qualify occupants for housing subsidies as state requirements for including units on the SHI make it very difficult for long-term homeowners to be eligible for new affordable housing opportunities.
- Enable all units in Chapter 40B rental developments to be counted as part of the SHI while only the actual affordable units can be counted in homeownership projects.

Efforts to provide **starter homes for first-time homebuyers and better housing alternatives to empty nesters** should be promoted to address several objectives including:

- Provide opportunities for families who want to invest in North Reading but are shut-out of the current housing market.
- Lend additional stability to neighborhoods as homeowners tend to become more rooted and invested in the community.
- Enable children who were raised in North Reading to return to raise their own families locally.
- Provide housing options for municipal employees and others who work in the community.
- Provide smaller homes for increasingly smaller families.

- Offer more affordable and less isolating housing alternatives to empty nesters who want to downsize, thus opening their existing homes to families.

Small clustered cottage-style housing in pocket neighborhoods could be pursued as well as other infill development, mixed-uses that include mixed-income condo development, the redevelopment/reuse of previously nonresidential properties, and the integration of housing in nonresidential areas offer good options for increasing affordable homeownership opportunities in North Reading. Moreover, the redevelopment of the Route 28 commercial corridor opens up opportunities for creating a new community center with mixed uses and a wide range of housing options including both rental and homeownership.

Based on annual housing production goals of 28 units per year, or 140 units over five years per state guidelines, as well as a combination of information on demographic shifts, cost burdens, affordability gaps, and the community's housing mix as documented in the indicators of need listed in Section 5.7, this Housing Plan suggests the following targeted housing goals:

- Rental development goal of 80% of all new units created.
- Goal of 140 affordable units over the next five years.
- About half of units produced directed to seniors or single individuals (many with special needs) through one-bedroom units, 40% for small families with two bedrooms, and 10% of units for larger families with three bedrooms (required by state for units that are not age-restricted or for single person occupancy.)
- A minimum of 20% of one-bedroom units with handicapped accessibility and/or supportive services and at 10% for other units created. Where feasible, 100% handicapped accessibility or adaptability should be promoted in housing for seniors and those with disabilities.

1.3 Summary of Housing Production Goals

Will complete in next phase of the project.

1.4 Summary of Housing Strategies

Will complete in next phase of the project.

2. INTRODUCTION

2.1 Background and Purpose

Over a decade ago, as the Town prepared its Community Development Plan, the topic of affordable housing generated the most discussion and resulted in a consensus that housing issues deserved the most attention given the trend towards the building of large expensive homes, which often replaced smaller and more affordable market housing. The Plan's Community Vision Statement included the following:

“The Town needs to set parameters to facilitate development of a variety of housing types to serve all segments of the population. Primarily, this means placing emphasis on more affordable housing. Historically, North Reading had a higher percentage of modest housing units, with a large number of these homes built post WWII. However, recent trends in North Reading have favored much larger and expensive single-family homes and the expansion of older modest homes. Residents would like a good mix of housing including small single-family and duplexes, condominiums and senior housing balanced with larger single-family homes....A better mix of housing will result in a more sustainable community. To be sustainable, housing improvements need to be linked to diverse local employment opportunities, to alternative modes of transportation and to open space for recreation.”⁵

The Town has made progress in producing affordable housing since it developed the Community Development Plan in 2004 when only 55 units were included in its Subsidized Housing Inventory (SHI) at a 1.1% level of affordability. The SHI is now up to 537 units and 9.59%. Nevertheless, many of the same issues that were discussed in 2004 still need to be addressed today. These concerns may now be even more pressing given rising housing prices and affordability gaps.

This Housing Plan provides an opportunity to revisit housing issues and reinforce other efforts that are underway. For example, the Town is exploring development along Route 28/Main Street that would help the community attract jobs, services, revenues and housing along about three-quarters of a mile of this important commercial corridor. This redevelopment prospect has the potential to create something that the Town has been missing – a Town Center with a wide range of uses and a vibrant sense of place for all residents to enjoy.

Housing stakeholders further suggest that all housing initiatives should address the broad needs of the “community”, for example:

- Children who grew up in town are now facing the increasing likelihood that they may not be able to afford to raise their own families locally.
- Long-term residents, especially the elderly, are finding themselves less able to maintain their homes and keep up with increasing expenses, particularly property taxes, but are pressed to find alternative housing that better meets their current life styles and pocketbooks.
- Families are finding it more difficult to “buy into” the housing market or even “buy up,” purchasing larger homes as their families grow.
- Municipal employees are increasingly challenged to find housing that is affordable in North Reading.

⁵ North Reading Community Development Plan, prepared by TerraSphere, June 2004.

- Lower-wage workers, veterans or people with disabilities are particularly burdened by high housing prices and are ever more reliant on subsidized housing or forced to move outside of the community in search of more affordable living conditions.

This Plan is meant to help North Reading chart its course in providing more affordable housing options to meet these diverse local needs. It also represents an opportunity for the Town to fully examine the specific impacts of demographic and economic changes relative to existing market conditions. Only by understanding these changes can the Town determine the current and future housing needs of its citizenry. This Housing Plan also provides guidance on any number of policy issues regarding housing such as where to best allocate resources for the production of new affordable housing, how to revise existing zoning as it relates to guiding new housing development, and how to engage housing developers and other housing service providers in partnerships that will work to address identified needs.

The Plan is being prepared under state Housing Production requirements that were developed to provide greater local control over affordable housing development through the following process:⁶

- Prepare and adopt a Housing Production Plan that demonstrates production of an increase of .05% over one year or 1.0% over two-years of its year-round housing stock eligible for inclusion in the Subsidized Housing Inventory (28 units and 56 units, respectively, for North Reading) for *approval* by DHCD.
- Request *certification* of compliance with the plan by demonstrating production of at least the number of units indicated above.
- Through local ZBA action, be able to deny a comprehensive permit application during the period of certified compliance, which is a 12-month period following submission of the certification documentation to DHCD or 24 months if the 1.0% threshold is met.

This document becomes the roadmap for the Town to follow over the next five years to produce housing that reflects local priorities and preferences.

2.2 What is Affordable Housing?

Affordable housing, sometimes referred to as subsidized housing or community housing, is defined by the income of the household in comparison to housing costs. For example, the federal government identifies units as affordable if a household is paying no more than 30% of its income on housing, whether for ownership or rental. If households are paying more than this threshold, they are described as experiencing housing affordability problems or cost burdens; and if they are paying 50% or more for housing they have severe housing cost burdens. A detailed analysis of affordability is included in Section 5.5.

⁶ Massachusetts General Law Chapter 40B, 760 CMR 56.03(4).



Source of Report: Competitive Bidding Implementation Contractor (CBIC)
Run Date: 7/18/2011

Affordable housing is also defined according to its availability to households at percentages of median income for the area, and most housing subsidy programs are targeted to particular income ranges depending upon programmatic goals. Extremely low-income housing is directed to those earning at or below 30% of area median income (AMI) as defined annually by the U.S. Department of Housing and Urban Development (up to \$26,550 for a family of three for the Boston area) and very low-income is defined as households earning between 31% and 50% AMI (\$44,150 for a family of three). Low-income generally refers to the range between 51% and 80% AMI (\$65,750 for a family of three).

A summary of income limits is included in Table 2-1. North Reading is part of the Boston, MA-NH Metro Area that includes a considerable number of communities in the Greater Boston area, including New Hampshire. This map shows its extensive

area.

Table 2-1: HUD Income Limits for the Boston-Cambridge-Quincy, MA-NH HUD Metropolitan Area, 2016⁷

# Persons in Household	30% AMI	50% AMI	80% AMI	100% AMI *	120% AMI **
1	\$20,650	\$34,350	\$51,150	\$68,670	\$82,404
2	23,600	39,250	58,450	78,480	94,176
3	26,550	44,150	65,750	88,290	105,948
4	29,450	49,050	73,050	98,100	117,720
5	31,850	53,000	78,900	105,948	127,138
6	34,200	56,900	84,750	113,796	136,555
7	36,730	60,850	90,600	121,644	145,973
8+	40,890	64,750	96,450	129,492	155,390

Source: U.S. Department of Housing and Urban Development (HUD), effective March 28, 2016.

*Figures provided by the Community Preservation Coalition

**Based on 120% of 100% figures.

In general, programs that subsidize rental units are typically targeted to households earning below 50% and/or 60% AMI with some lower income requirements at the 30% AMI level that have been further

⁷ The U.S. Department of Housing and Urban Development (HUD) includes North Reading as part of the Boston Metropolitan Statistical Area. The 2016 income limits show some decreases in incomes in the 30% and 50% AMI levels and increases in the 80% AMI level over the 2015 ones.

supported by state programs. First-time homebuyer projects and the state's Chapter 40B Comprehensive Permit Program typically apply income limits of up to 80% AMI. Income limits under the Community Preservation Act (CPA) are up to 100% AMI (\$88,290 for a family of three). This CPA funding has been adopted in more than 170 communities across the state to support open space preservation, historic preservation, recreation and community housing activities through a local property tax surcharge, also leveraging state funding. Some further income thresholds refer to workforce units as those targeted to those earning up to 120% AMI (\$105,948 for a household of three) for example but still priced out of a good portion of the local housing market.

A common definition of affordable housing relates to the Chapter 40B comprehensive permit program. The state established legislation for promoting affordable housing under the Massachusetts Comprehensive Permit Law (Massachusetts General Laws Chapter 40B).⁸ This legislation allows developers to override local zoning if the project meets certain requirements, the municipality has less than 10% of its year-round housing stock defined as affordable in its Subsidized Housing Inventory (SHI), or housing production goals and other statutory requirements are not met. Specifically, all SHI units must meet the following criteria:

1. Subsidized by an eligible state or federal program.
2. At least 25% of the units must be affordable to those earning at or below 80% AMI or 20% must be affordable to those earning at or below 50% AMI.
3. Subject to a long-term deed restriction limiting occupancy to income eligible households for a specified period of time.
4. Subject to an Affirmative Fair Housing Marketing Plan.

Of the 5,597 year-round housing units in North Reading, 537 or 9.59% meet the Chapter 40B requirements and thus have been determined to be affordable by the Commonwealth of Massachusetts as part of the SHI. This means that the Town has a gap of only 23 affordable units to reach the 10% affordability threshold under Chapter 40B and no longer susceptible to zoning overrides by comprehensive permit applications that are determined to be inappropriate and do not meet local needs. Housing growth will drive the 10% goal upwards, as adjusted by each decennial census, and therefore it is a moving target. Even when the Town surpasses the Chapter 40B threshold however, the comprehensive permit process can be an efficient permitting tool and has been used effectively in communities that are beyond the 10% affordability threshold.

⁸ Chapter 774 of the Acts of 1969 established the Massachusetts Comprehensive Permit Law (Massachusetts General Laws Chapter 40B) to facilitate the development of affordable housing for low- and moderate-income households (defined as any housing subsidized by the federal or state government under any program to assist in the construction of low- or moderate-income housing for those earning less than 80% of median income) by permitting the state to override local zoning and other restrictions in communities where less than 10% of the year-round housing is subsidized for low- and moderate-income households.

3. DEMOGRAPHIC PROFILE ⁹

It is important to closely examine demographic characteristics and trends to understand the composition of the population and how it relates to current and future housing needs. Key questions to be addressed include the following:

- What have been the historical growth trends in the community?
- What are the ramifications of increases and decreases of various age groups in regard to housing needs?
- What are the variations in household size and types of households that suggest unmet or greater housing needs?

These and other issues are discussed in the following section. In essence, major findings indicate that for the past several decades the population has continued to grow, from 12,002 in 1990 to 15,396 by 2015, with declines in younger residents and significant gains in older ones, as well as increases in smaller households. The population is projected to continue to grow to about 16,500 residents by 2030 according to the Metropolitan Area Planning Council (MAPC). However, those over 65 are estimated to grow at a higher rate, almost doubling in number between 2010 and 2030 with a gain of as many as 1,834 residents.

3.1 Population Growth – Greatest growth after World War II through 1970 with some significant growth since 1990 after a period of little population change

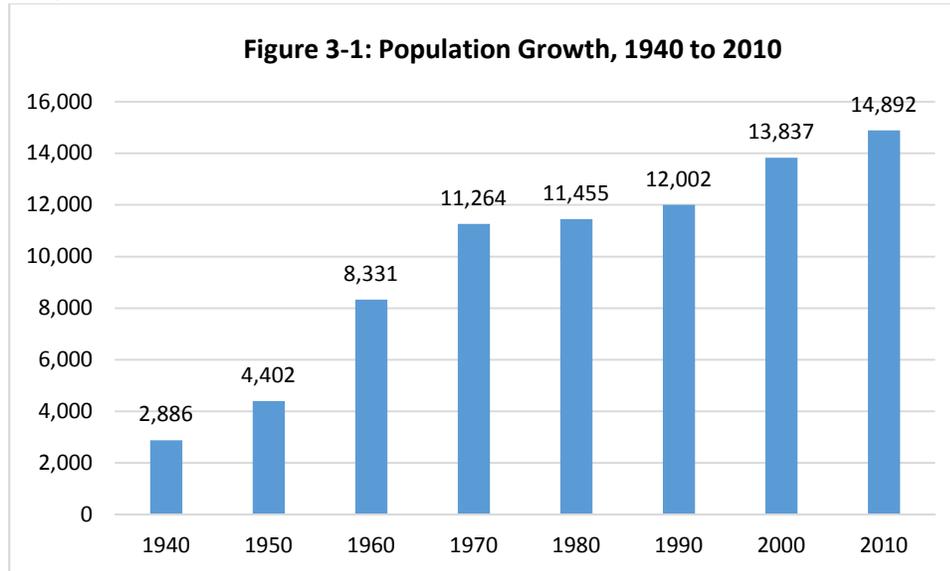
As indicated in Table 3-1 and Figure 1-1, North Reading’s population increased substantially after World War II, growing from 2,886 residents in 1940 to 11,264 by 1970, almost quadrupling in number. After that, the population stabilized, increasing by only 738 residents between 1970 and 1990, and then grew by 2,890 residents or 24% between 1990 and 2010. The 2015 census estimates suggest a total population of 15,396, demonstrating continued growth. Town census records also suggest some continued growth with a total population figure of 15,500 as of the end of February 2017.

Table 3-1: Population Change, 1930 to February 2017

Year	Total Population	Change in Number	Percentage Change
1930	1,945	--	--
1940	2,886	941	48.4%
1950	4,402	1,516	52.5%
1960	8,331	3,929	89.3%
1970	11,264	2,933	35.2%
1980	11,455	191	1.7%
1990	12,002	547	4.8%
2000	13,837	1,835	15.3%
2010	14,892	1,055	7.6%
2015	15,396	504	3.4%
February 2017/ Town Records	15,500	104	0.7%

⁹ It should be noted that this Housing Needs Assessment includes the most up-to-date data available. The decennial census data is typically provided as this data reflects actual counts. The most recent issue of the Census Bureau’s American Community Survey (ACS) is also shown for some data not covered by the decennial counts and for more up-to-date information. Because the ACS is based on a sample, it is subject to sampling error and variation.

Source: U.S. Census Bureau, Census Summary File 1 and University of Massachusetts Donahue Institute State Data Center for decennial counts and North Reading Town Clerk. The 2015 estimate is from the U.S. Census Bureau’s American Community Survey, 5-Year Estimates, 2011-2015.



Population projections from the Metropolitan Area Planning Council (MAPC) estimate that the population will reach 15,973 residents by 2020 under their “Stronger Region” scenario (see Section 3.2 for details). MAPC projections further indicate continued growth to 16,511 residents by 2030, about 11% more than the 2010 census figure. The State Data Center at the University of Massachusetts’ Donahue Institute predicts higher population growth to 17,115 residents by 2020 and 17,160 by 2030.

3.2 Age Distribution – Decreasing younger population but growing numbers of older residents

Table 3-2 presents census data on changes in the distribution of ages from 1990 through 2015, with the following major demographic shifts:

- Declining population of children*

The population of children under age 18 grew somewhat between 1990 and 2000 and then leveled out at about 3,800 residents between 2000 and 2010 to about one-quarter of all residents. The 2015 census estimates suggest a decrease to 3,402 residents and 22.1% of the population.

North Reading Public School data (see Figure 4-4) indicates declining student enrollments from a high of 2,811 students in the 2007-08 school year to 2,496 students by 2016-17, representing a loss of 315 students during this period or 11%.

- Overall loss of college-age residents*

After a decrease in young residents in the 18 to 24-age range between 1990 and 2000, from 9% to 5.5% of all residents, this population grew modestly to 916 residents or 6.2% of the population and has remained at about the same level according to the 2015 census estimates.
- Young adults demonstrated a 36% decline in population between 1990 and 2010*

Younger adults in the family formation stage of their lives, the 25 to 34-age category, decreased significantly during this period, dropping to 8.9% of the population in 2010 from 17.3% in 1990. The 2015 census estimates suggest some resurgence of this age group to 1,694 residents or 11% of all residents.

- **Overall decreases in younger middle-age residents**

Despite an increase of those in the 35 to 44-age range between 1990 and 2000, this population subsequently decreased from 20.1% of the population in 2000 to 15.1% in 2010 and then further to 13.3% according to 2015 census estimates.

While the total population grew by 24% between 1990 and 2010, the older middle-age population ages 45 to 64 increased by 80%. This demographic shift is significant and will have ramifications for housing needs and services over the next couple of decades as these residents continue to age.

- **Substantial growth in older middle-age population**

Influenced by the aging of the baby boom generation, those in the 45 to 64 age range increased from 22% in 1990 to 33% by 2010, or from 2,643 to 4,768 residents. The 2015 census estimates indicate continuing increases in this age group to 5,189 residents or 33.7% of the population.

This age group and those who are older had a substantial impact on the increase in median age, from 34.7 years in 1990 to 43.7 years in 2015.

Table3-2: Age Distribution, 1990 to 2015

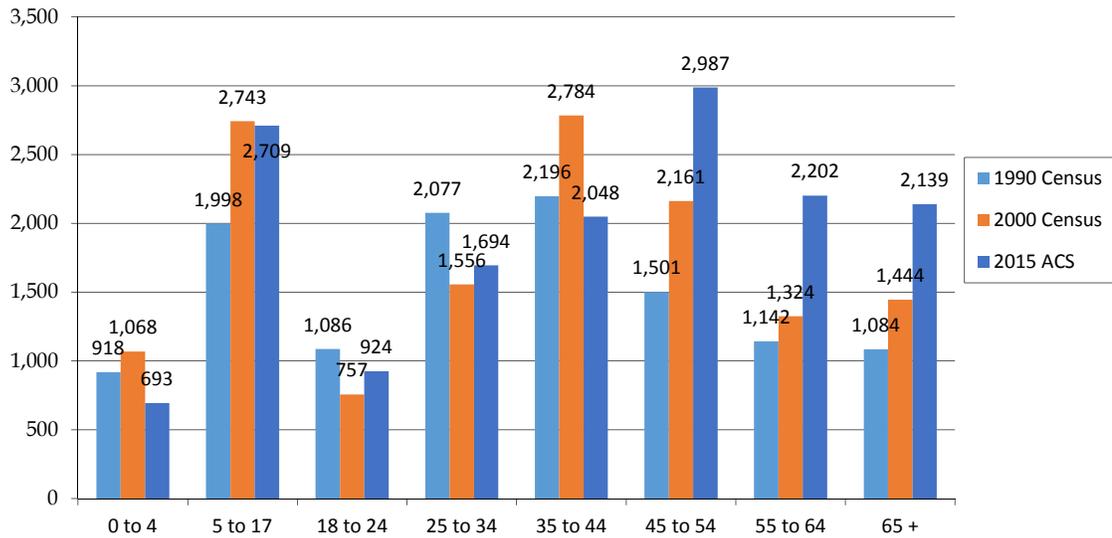
Age Range	1990		2000		2010		2015	
	#	%	#	%	#	%	#	%
Under 5 Years	918	7.6	1,068	7.7	760	5.1	693	4.5
5 – 17 Years	1,998	16.6	2,743	19.8	3,032	20.4	2,709	17.6
18 – 24 Years	1,086	9.0	757	5.5	916	6.2	924	6.0
25 – 34 Years	2,077	17.3	1,556	11.2	1,320	8.9	1,694	11.0
35 – 44 Years	2,196	18.3	2,784	20.1	2,251	15.1	2,048	13.3
45 – 54 Years	1,501	12.5	2,161	15.6	2,781	18.7	2,987	19.4
55 – 64 Years	1,142	9.5	1,324	9.6	1,987	13.3	2,202	14.3
65 – 74 Years	696	5.8	856	6.2	1,010	6.8	1,293	8.4
75 – 84 Years	266	2.2	451	3.3	619	4.2	677	4.4
85+ Years	122	1.0	137	1.0	216	1.5	169	1.1
Total	12,002	100.0	13,837	100.0	14,892	100.0	15,396	100.0
Under 18	2,916	24.3	3,811	27.5	3,792	25.5	3,402	22.1
Age 65+	1,084	9.0	1,444	10.4	1,845	12.4	2,139	13.9
Median Age	34.7 years		37.8 years		42 years		43.7 years	

Source: U.S. Census Bureau 1990, 2000 and 2010; 2015 American Community Survey 5-Year Estimates 2011-2015,

- **Substantial increases in the population 65 years and over**

Those 65 years of age and older grew by 70% between 1990 and 2010, and according to 2015 census estimates almost doubled from 1,084 residents in 1990 to 2,139. The growth is also demonstrated in the increase from 9% of all residents in 1990 to almost 14% by 2015.

Figure 3-2: Changes in Age Distribution: 1990 to 2015



MAPC “Status Quo” Projections

Table 3-3 offers population projections by age category for 2020 and 2030, comparing these figures to 2010 census results. Prepared by the Metropolitan Area Planning Council (MAPC), North Reading’s regional planning agency, these projections assume a continuation of rates of births, deaths, migration and housing occupancy and estimate a population growth rate of 7.3%, or by 1,081 residents, by 2030 to 15,973 residents and continuing shifts in the age distribution. For example, those under the age of 20 are predicted to decrease from 27.3% to 21.1% of the total population, representing a 17% population loss of about 700 residents.

The projections further suggest a net increase of 270 residents in the 25 to 34 age range by 2030, or by 20%. Those in the 35 to 44 range are projected to grow by 11%, from 2,251 to 2,510 residents between 2010 and 2030, while those in the 45 to 54 age range are projected to decrease by 20%. Alternatively, the population of older middle-aged residents in the 55 to 64 range are expected to increase by almost 9%.

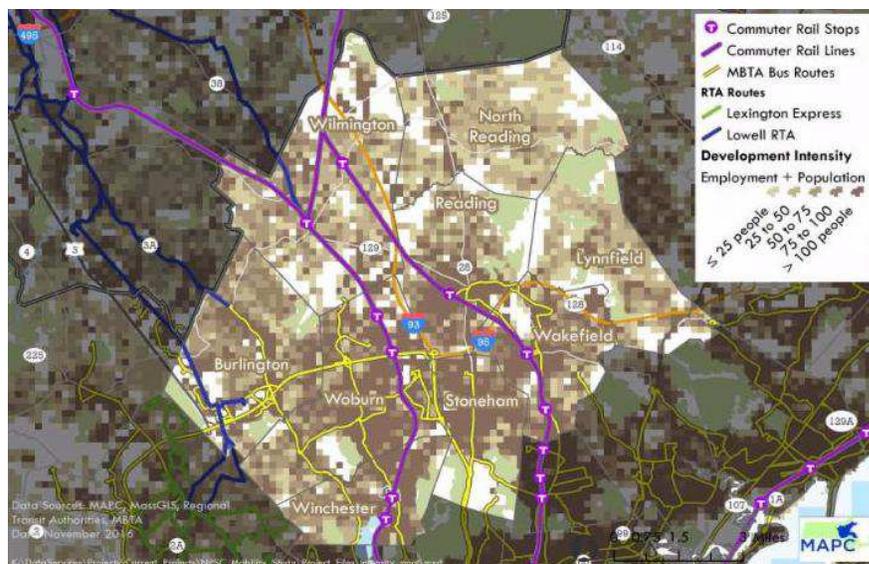
Those over 65 are estimated to increase from 12.4% of all residents in 2010 to 22.7% by 2030, representing a gain of 1,785 residents in this age category, in fact almost doubling in number.

These projected population changes suggest the need for housing alternatives to accommodate the increasing population of seniors, such as more handicapped accessibility, housing with supportive services, and units without substantial maintenance demands. Additionally to maintain a diverse population, more affordable starter housing opportunities to attract young adults, including young families should be promoted both as rentals and first-time homeownership.

Table 3-3: Age Distribution, 2010 Census and MAPC “Status Quo” Projections for 2020 and 2030

Age Range	2010 Census		2020 Projections		2030 Projections	
	#	%	#	%	#	%
Under 5 Years	760	5.1	670	4.4	747	4.7
5 – 19 Years	3,311	22.2	2,722	17.8	2,626	16.4
20 – 24 Years	637	4.3	674	4.4	488	3.1
25 – 34 Years	1,320	8.9	1,597	10.4	1,590	10.0
35 – 44 Years	2,251	15.1	2,145	14.0	2,510	15.7
45 – 54 Years	2,781	18.7	2,284	14.9	2,222	13.9
55 – 64 Years	1,987	13.3	2,629	17.2	2,160	13.5
65 – 74 Years	1,010	6.8	1,586	10.4	2,115	13.2
75 – 84 Years	619	4.2	746	4.9	1,194	7.5
85+ Years	216	1.5	248	1.6	321	2.0
Total	14,892	100.0	15,301	100.0	15,973	100.0
Under 20	4,071	27.3	3,392	22.2	3,373	21.1
Age 65+	1,845	12.4	2,580	16.9	3,630	22.7

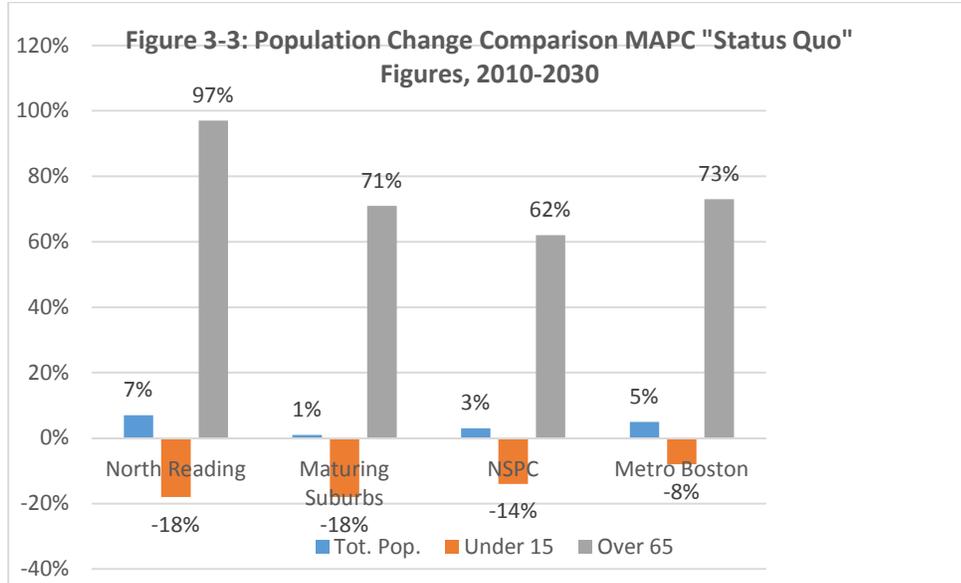
Source: Metropolitan Area Planning Council (MAPC), January 2014



North Suburban Planning Council Subregion

These projected demographic shifts are further presented in Figure 3-3, comparing projections for North Reading to other maturing suburbs in the state, the North Suburban Planning Council subregion,¹⁰ and Metro Boston from 2010 to 2030. Estimates suggest that North Reading will experience a somewhat higher increase in total population, a comparable loss of children under 15 years of age to other maturing suburbs, and a greater increase of those over age 65.

¹⁰ In addition to North Reading, MAPC’s North Suburban Planning Council subregion includes the communities of Burlington, Lynnfield, Reading, Saugus, Stoneham, Wakefield, Winchester, Wilmington and Woburn.

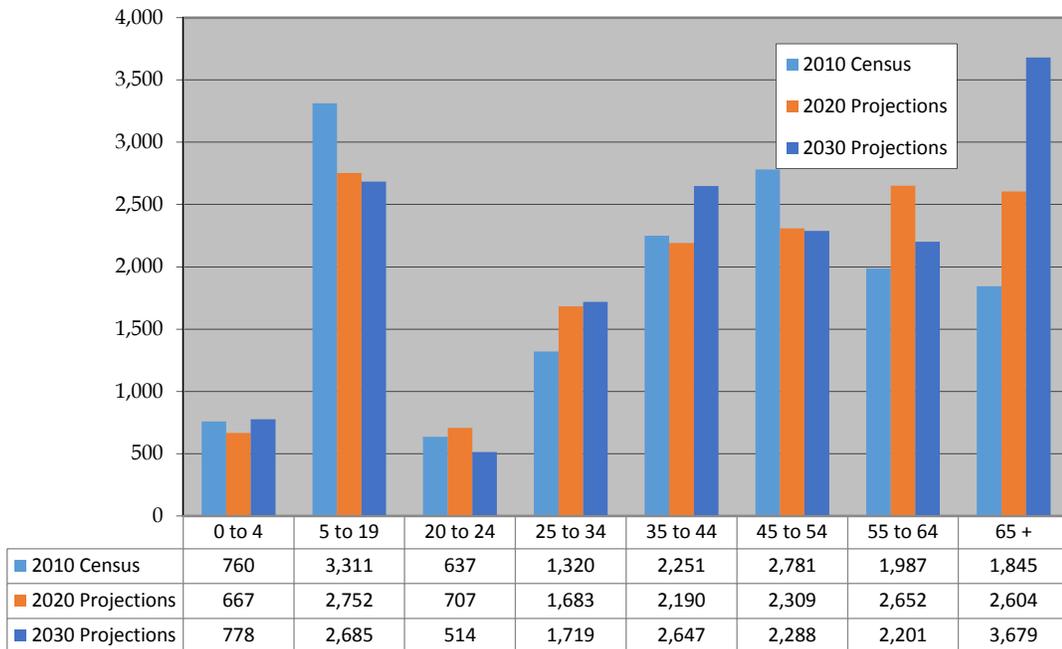


MAPC "Stronger Region" Projections

MAPC also provides "Stronger Region" projections based on the following assumptions:

- The region will attract and retain more people, especially young adults, than it does today;
- Younger households (born after 1980) will be more inclined toward urban living than their older counterparts and less likely to choose to live in single-family homes; and
- An increasing share of older adults will choose to downsize from single-family homes to apartments or condominiums.

Figure 3-4: Changes in Age Distribution: 2010 and MAPC "Stronger Region" Projections for 2020 and 2030



These projections suggest an increase in total population to 15,564 residents by 2020 and then to 16,511 by 2030 representing a growth rate of 11% between 2010 and 2030. The “Stronger Region” figures estimate that those under age 20 will total 3,419 by 2020 (those under 15 totaling 2,513) and grow somewhat to 3,463 by 2030 (2,659 for those under age 15) for a population loss of 15% (loss of 13% for those under age 15). **Under the “Stronger Region” estimates, those 65 years of age or older are estimated to grow to 2,604 residents by 2020 and then to 3,679 residents by 2030 to comprise 22% of all residents with a growth rate of 99% between 2010 and 2030.**

State Data Center Projections

The State Data Center at the University of Massachusetts’ Donahue Institute also prepares population projections, as summarized in Table 3-4. These estimates indicate a population growth rate of 15.2% between 2010 and 2030 compared to 11% for MAPC “Stronger Region” figures with a net increase of 2,268 residents. Like the MAPC estimates, the State Data Center indicates that those under age 20 will comprise 21% of all residents, down from 27.3% in 2010. On the other end of the age range, the State Data Center also projects major increases in those age 65 or older at 113% as opposed to 99% under MAPC “Stronger Region” estimates. The age cohorts in between demonstrate some similar fluctuations with a decrease in those between age 20 and 24, a modest increase in residents age 25 to 44, and notable declines in the 45 to 54 age range.

Table 3-4: Age Distribution, 2010 Census and State Data Center Projections, 2020 and 2030

Age Range	2010 Census		2020 Projections		2030 Projections	
	#	%	#	%	#	%
Under 5 Years	760	5.1	830	4.8	917	5.3
5 – 19 Years	3,311	22.2	2,694	15.7	2,714	15.8
20 – 24 Years	637	4.3	764	4.5	574	3.3
25 – 34 Years	1,320	8.9	1,749	10.2	1,918	11.2
35 – 44 Years	2,251	15.1	1,993	11.6	2,471	14.4
45 – 54 Years	2,781	18.7	2,466	14.4	2,204	12.8
55 – 64 Years	1,987	13.3	2,802	16.4	2,439	14.2
65 – 74 Years	1,010	6.8	1,592	9.3	2,162	12.6
75 – 84 Years	619	4.2	1,816	10.6	1,225	7.2
85+ Years	216	1.5	409	2.4	536	3.2
Total	14,892	100.0	17,115	100.0	17,160	100.0
Under 20	4,071	27.3	3,524	20.6	3,631	21.1
Age 65+	1,845	12.4	3,817	22.3	3,923	22.9

Source: University of Massachusetts, Donahue Institute, State Data Center.

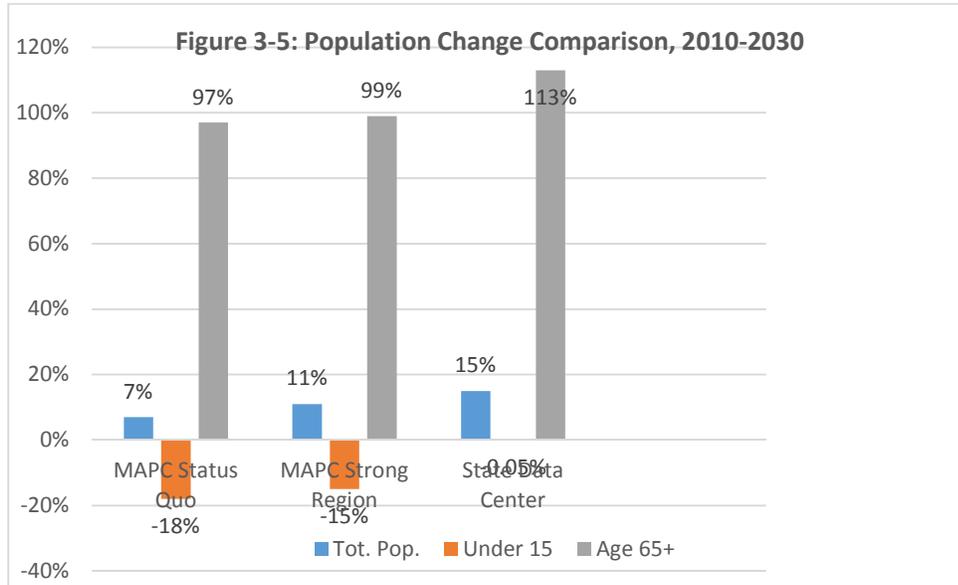
Table 3-5 and Figure 3-5 compare the two MAPC projections and the State Data Center figures. The two MAPC projections predict relatively similar proportionate distributions of children, those under 20 and those 65 and over but a lower population total under the “Status Quo” assumptions as opposed to the “Stronger Region” criteria. While the State Data Center predicts much greater population growth, it estimates a very similar distribution of ages to the MAPC projections.

The redevelopment of the State Hospital site into age-restricted ownership housing will likely result in population increases that more closely resemble MAPC’s “Stronger Region” or State Data Center projections than the “Status Quo” scenario.

Table 3-5: Comparison of Population Projections, 2030

Age Range	MAPC Status Quo		MAPC Stronger Region		State Data Center	
	#	%	#	%	#	%
< Age 15	2,585	16.2	2,659	16.1	2,917	17.0
< Age 20	3,373	21.1	3,463	21.0	3,631	21.1
Age 65+	3,630	22.7	3,679	22.2	3,923	22.9
Total Pop	15,973	100.0	16,511	100.0	17,160	100.0

Sources: MAPC and the State Data Center at the Donahue Institute of the University of Massachusetts.



3.3 Racial Composition – Growing minority population

Table 3-6 presents data on the racial distribution of the population in North Reading indicating that the community has had limited but growing racial diversity with about 99% of the population describing themselves as White in 1990, down to 89.2% by 2015. The Asian population has grown ten-fold from 108 residents in 1990 to 1,094 in 2015. Black residents have almost quadrupled in number during this period with the Latino or Hispanic population more than doubling in number.

Table 3-6: Racial Information, 1990 to 2015

Population Characteristics	1990		2000		2010		2015	
	#	%	#	%	#	%	#	%
Total Population	12,002	100.0	13,837	100.0	14,892	100.0	15,396	100.0
White Population*	11,843	98.7	13,495	97.5	14,174	95.2	13,737	89.2
Minority Population	159	1.3	342	2.5	718	4.8	1,659	10.8
Asian Population*	108	0.9	180	1.3	397	2.7	1,094	7.1
Black Population *	36	0.3	55	0.4	84	0.7	148	1.0
Native American *	10	0.08	0	0.0	23	0.2	42	0.3
Some Other Race *	10	0.08	33	0.2	53	0.4	118	0.8
Those of 2+ races	--	--	67	0.5	149	1.0	257	1.7
Latino/Hispanic of any race **	85	0.7	102	0.7	231	1.6	179	1.2

Source: U.S. Census Bureau, Census 1990, 2000 and 2010 Summary File 3; 2015 American Community Survey 5-Year Estimates, 2011-2015 * Includes only those of that race ** Latino or Hispanic of any race.

3.4 Household Composition – Increasing numbers of smaller households and more seniors living alone

The trend towards fewer families and more non-family households, which include individuals and unrelated household members, is the norm in most communities, particularly those which are experiencing significant increases in older adults.

While North Reading’s population grew by 24% between 1990 and 2010, the percentage of households increased by 34% from 4,065 to 5,439 households.¹¹ As shown in Table 3-7, the number of households is estimated to have decreased to 5,361 in 2015. **Family households decreased** from 80.6% of all households in 1990 to 73.6% in 2010 and then were estimated to increase somewhat to 75.9% by 2015.

Reflecting more smaller and non-family households, the average household size decreased from 2.90 to 2.71 persons between 1990 and 2010, once again more in line with expected trends towards more “child-free” and “child-delayed” families and especially increases in empty nesters as well as seniors. Female-headed households with children, typically among the most financially vulnerable in any community, increased between 1990 and 2010 and then were estimated to have dropped considerably in 2015 according to census estimates, from 196 to 106 such households. The average size of families has decreased somewhat between 1990 and 2010, from 3.27 to 3.22 persons, but jumped to 3.34 persons by 2015 according to census estimates.

Those living alone grew by 38% between 2000 and 2010, from 858 to 1,183 households, and then were estimated to decrease somewhat to 1,103 such households in 2015 or 18.9% of all households. These single-person households, who were headed by someone 65 years of age or older, increased by 44% between 2000 and 2010, and then were estimated to increase still more to 477 such households or 8.9% of all households by 2015, slightly lower than the 10.4% level for the county.

Table 3-7: Household Characteristics, 1990 to 2015

Household Type	1990		2000		2010		2015	
	#	%	#	%	#	%	#	%
Households	4,065	100.0	4,795	100.0	5,439	100.0	5,361	100.0
Families*	3,277	80.6	3,755	78.3	4,003	73.6	4,070	75.9
Married Couple Families*	2,826	69.5	3,303	68.9	3,449	63.4	3,610	67.3
Female Headed Families with Children <18 *	149	3.7	141	2.9	196	3.6	106	2.0
Non-families*	788	19.4	1,040	21.7	1,436	26.4	1,291	24.1
Living Alone	648	15.9	858	17.9	1,183	21.8	1,013	18.9
Living Alone 65 Years +	--	--	293	6.1	421	7.7	477	8.9
Average Household Size	2.90 persons		2.86 persons		2.71 persons		2.84 persons	
Average Family Size	3.27 persons		3.28 persons		3.22 persons		3.34 persons	

Source: U.S. Census Bureau, Census 1990, 2000 and 2010 Summary File 1; 2011-2015 American Community Survey 5-Year Estimates * Percent of all households

¹¹ The U.S. Census Bureau defines families as a householder and one or more persons living in the same household who are related by birth, marriage, or adoption.

It bears noting that the 1990, 2000, and 2010 census figures for population, age and household information is from actual counts and are therefore more reliable than the American Community Survey census estimates that are based on survey data with margins of error. Because these estimates provide updated information they are included in this analysis, but should be viewed also in consideration of past trends.

Table 3-8 examines the types of households by household size. Single-person households comprised a substantial portion of the population, 18.9% of all households by 2015 from 17.9% in 2000, but still lower than the 27.3% level for Middlesex County.

There were also increases in two-person households, growing from 1,393 households in 2000 to 1,784 by 2015, or from 29% to 33% of all households. These two-person households included both family and non-family households, and is much higher than the county's level of 6.2% in 2015. Large households of five (5) or more persons represented only about 11% of all households, down a bit from 12.4% in 2000 and higher than 8% for Middlesex County, once again reflective of the trend towards smaller households.

Table 3-8 Types of Households by Size, 2000 and 2010 Census and 2015 Estimates

Households by Type and Size	2000		2010		2015	
	#	%	#	%	#	%
Nonfamily Households	1,040	21.7	911	18.1	1,291	24.1
1-person	858	17.9	805	16.0	1,015	18.9
2-persons	160	3.3	76	1.5	276	5.1
3-persons	14	0.3	30	0.6	0	0.0
4-persons	4	0.08	0	0.0	0	0.0
5-persons	3	0.06	0	0.0	0	0.0
6-persons	0	0.0	0	0.0	0	0.0
7+ persons	1	0.02	0	0.0	0	0.0
Family Households	3,755	78.3	4,115	81.9	4,070	75.9
2-persons	1,233	25.7	1,652	32.9	1,508	28.1
3-persons	932	19.4	559	11.1	894	16.7
4-persons	998	20.8	1,331	26.5	1,070	20.0
5-persons	430	9.0	459	9.1	378	7.1
6-persons	115	2.4	90	1.8	147	2.7
7+ persons	47	1.0	24	0.5	73	1.4
Total Households	4,795	100.0	5,026	100.0	5,361	100.0

Sources: U.S. Census Bureau, 2000 Census, Summary File 3, and American Community Survey Five-Year Estimates for 2006-2010 and 2011-2015. Because the 2010 figures reflect sample data, they are somewhat different than the actual counts included in Table 3-7.

Table 3-9 breaks down household census information by whether the household includes someone 65 years of age or older as well as household size. The number of households with seniors increased from 964 or 20% of all households in 2000 to 1,501 or 28% of all households in 2015. Of these households, 1,024 were in two-person families, about double the number of single persons living alone at 477 individuals. Almost 60% of all households involved younger residents living as part of a family.

Table 3-9 Types of Households by Size and Age, 2000 and 2010 Census and 2015 Estimates

Households by Type and Size	2000		2010		2015	
	#	%	#	%	#	%
Households with one or more persons 65 years +	964	20.1	1,072	21.3	1,501	28.0
1-person	293	6.2	280	5.6	477	8.9
2 +-persons (Families)	671 (646)	14.0 (13.5)	792 (792)	19.7 (15.8)	1,024 (931)	19.1 (17.4)
(Non-families)	(23)	(0.5)	(0)	(0.0)	(93)	(1.7)
Households with no persons 65 years +	3,831	79.9	3,954	78.7	3,660	68.3
1-person	565	11.8	525	10.4	538	10.0
2+ persons (Families)	3,266 (3,107)	68.1 (64.8)	3,429 (3,323)	68.2 (66.1)	3,322 (3,139)	62.0 (58.6)
(Non-families)	(159)	(3.3)	(106)	(2.1)	(183)	(3.4)
Total Households	4,795	100.0	5,026	100.0	5,361	100.0

Sources: U.S. Census Bureau, 2000 Census, Summary File 3, and American Community Survey Five-Year Estimates for 2006-2010 and 2011-2015. Because the 2010 figures reflect sample data, they are somewhat different than the actual counts included in Table 3-7.

Both population and household growth projections suggest that there are growing numbers of smaller households with increasing numbers headed by adults in the 30 to 44 age range and those 60 years or older. Many of these households will likely prefer smaller units in more diverse settings that incorporate amenities and walkability.

MAPC “Status Quo” projections indicate that the number of households in North Reading will increase to 6,061 by 2020 and 6,575 by 2030, a 21% increase from 2010 and substantially higher than the 7% projected population increase during this period.¹² These “Status Quo” projections assume continuing patterns of births, deaths, in- and out-migration, and occupancy patterns. This is due to the significant projected increase in smaller families and non-family households, driven largely by an aging population.

MAPC “Stronger Region” projections suggest even higher growth to 6,171 households by 2020 and 6,802 by 2030 or by 25% compared to population growth

¹² Based on MAPC “Stronger Region” and “Status Quo” projections that both estimate an 11% population increase between 2010 and 2030.

projections of 11% since 2010. These household projections are summarized in Table 3-10 by age range.¹³ **While households with householders in the 45 to 59 age range are projected to decline by 19%, those with older heads are predicted to increase by 89%.**

Table 3-10: MAPC Household Projections by Age of Householder, 2010 to 2030

Age Range	2010	2020	2030	Change 2010-2030	% Change 2010-2030
15-29 Years	313	397	334	21	7%
30-44 Years	1,378	1,419	1,704	326	24%
45-59 Years	2,142	2,015	1,731	-411	-19%
60 + Years	2,142	2,341	3,033	1,427	89%
Total	5,439	6,171	6,802	1,363	25%

Source: MAPC "Stronger Region" Projections

¹³ See Section 3.2 for the assumptions regarding the "Stronger Region" projections.

4. Economic Profile

This section examines income, employment and educational data to address the following questions:

- What changes in income levels have occurred and how does this relate to housing affordability?
- Are there growing income disparities among residents?
- What are the trends toward educational attainment that can affect employment and housing opportunities?
- What proportion of the population is disabled or has other special needs that limit their employment options and income?

In general incomes, educational attainment, and economic disparities have been increasing.

4.1 Incomes – Relatively high income levels but notable income disparities

Table 4-1 presents income data based on census estimates over the past several decades, also visually presented in Figure 4-1. Incomes have increased significantly over the years with the **median household income level increasing by 134% since 1989, from \$52,707 to \$123,103 by 2015, much higher than the rate of inflation during this period of 91%**. In comparison, the median household income for the state as a whole, while somewhat lower, increased by 86%, from \$36,952 to \$68,563 during this same period. North Reading’s median household income level is also considerably higher in comparison to Middlesex County, at \$85,118, as well as most of North Reading’s neighbors including \$107,654 in Reading, \$100,286 in North Andover, and \$118,828 for Lynnfield.

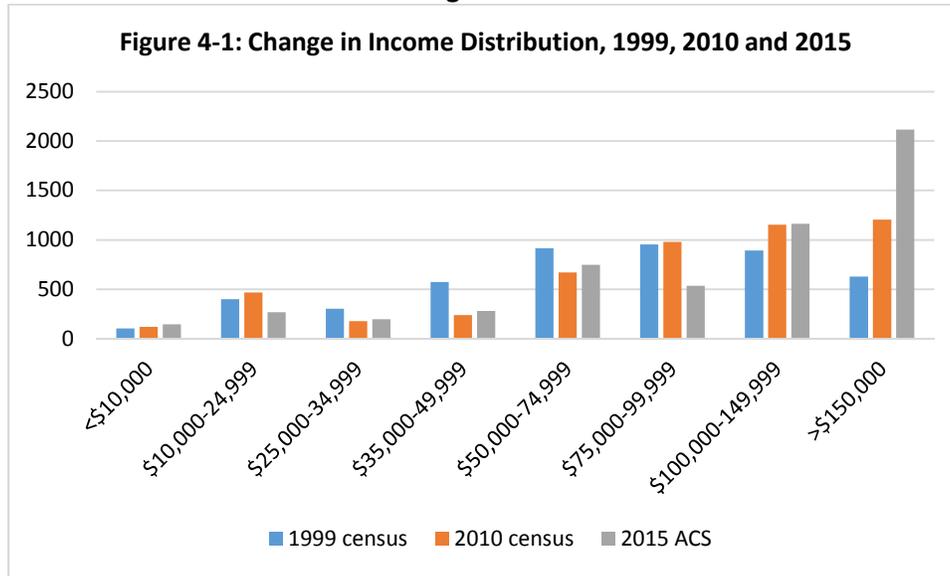
Table 4-1: Household Income Distribution, 1989-2015

Income Range	1989		1999		2010		2015	
	#	%	#	%	#	%	#	%
Under \$10,000	191	4.7	105	2.2	121	2.4	146	2.7
\$10,000-24,999	428	10.5	403	8.5	470	9.4	269	5.0
\$25,000-34,999	1,258	30.9	306	6.4	181	3.6	200	3.7
\$35,000-49,999	821	20.2	576	12.0	240	4.8	281	5.2
\$50,000-74,999	1,260	30.9	917	19.2	672	13.4	749	14.0
\$75,000-99,999	619	15.2	954	19.9	982	19.5	536	10.0
\$100,000-149,999	316	7.8	893	18.7	1,154	23.0	1,165	21.7
\$150,000-199,000			366	7.7	703	14.0	851	15.9
\$200,000 or more			264	5.5	503	10.0	1,164	21.7
Total	4,072	100.0	4,784	100.0	5,026	100.0	5,361	100.0
Median Household Income	\$52,707		\$76,962		\$96,016		\$123,103	

Source: U.S. Census Bureau, Census 1990 and 2000 Summary File 3; American Community Survey 5-Year Estimates for 2006-2010 and 2011-2015.

The growing prosperity of North Reading’s residents is also reflected in the increasing proportion and numbers of those earning more than \$100,000, going from 7.8% of all households in 1989 to 59.3% by 2015, compared to about 34% for the state and 43% for Middlesex County. Figure 4-1 clearly shows the surge in this income group.

Figure 4-1



While many in the community continue to prosper, there are some who are struggling financially. For example, based on 2015 census estimates, 615 households or 11.4% of all households earned less than \$35,000.

A comparison of 2000 and 2015 income distributions for both owners and renters is provided in Table 4-2. About one-third of renters earned less than \$35,000 in 2015, more than four times the percentage of homeowners in this income range. On the other hand, about 64% of the homeowners earned more than \$100,000 compared to only about 4% of renters. The disparity of incomes by tenure is also reflected in median income levels of \$52,917 and \$131,382 for renters and owners, respectively; up considerably from the 2000 median income levels of \$35,081 and \$81,422.

Table 4-2: Income Distribution by Owner and Renter Households, 2000 and 2015

Income Range	Renters				Homeowners			
	2000		2015		2000		2015	
	#	%	#	%	#	%	#	%
Under \$10,000	54	11.8	13	1.9	66	1.5	133	2.8
10,000-24,999	124	27.1	87	12.6	302	7.0	176	3.8
25,000-34,999	50	10.9	122	17.7	256	5.9	78	1.7
35,000-49,999	100	21.8	60	8.7	449	10.4	221	4.7
50,000-74,999	77	16.8	135	19.5	847	19.5	614	13.1
75,000-99,999	36	7.9	70	10.1	914	21.1	466	10.0
100,000-149,999	0	0.0	104	15.1	875	20.2	1,061	22.7
150,000 +	17	3.7	100	14.5	628	14.5	1,915	41.0
Total	458	100.0	691	100.0	4,337	100.0	4,670	100.0

Source: U.S. Census Bureau, 2000 Census and 2015 American Community Survey 5-Year Estimates.

Table 4-3 shows how age affects household income. For example, about two-thirds of those households in the 25 to 44 age range were earning over \$100,000 compared to about 72% in the 45 to 64 range. Nevertheless, it is somewhat surprising to see that about half of those in the 25 to 44 range and relatively early in their careers were earning more than \$150,000. **Only 23% of those 65 years or older were earning above \$100,000 as many in this age range are retired and living on fixed incomes.** On the other end of the income range, those earning less than \$35,000 involved 2.6% of households in the 25 to 44 age range, 7.6% of those 45 to 64 years old, 30% of those 65 years of age or older. It is interesting to note that there were no households with heads of under 25 years of age included in the census figures.

Table 4-3: Income Distribution by Age of Householder, 2015

Income Range	Under 25 Years		25 to 44 Years		45 to 64 Years		65 Years and Over	
	#	%	#	%	#	%	#	%
Under \$10,000	0	0.0	0	0.0	71	2.7	75	5.9
10,000-24,999	0	0.0	29	2.0	78	2.9	160	12.7
25,000-34,999	0	0.0	8	0.6	53	2.0	139	11.0
35,000-49,999	0	0.0	74	5.1	116	4.4	91	7.2
50,000-74,999	0	0.0	104	7.2	241	9.1	304	24.1
75,000-99,999	0	0.0	145	10.1	194	7.3	197	15.6
100,000-149,999	0	0.0	295	20.5	670	25.2	200	15.8
150,000 +	0	0.0	687	47.6	1,234	46.4	94	7.4
Total	0	0.0	1,442	100.0	2,657	100.0	1,262	100.0

Source: U.S. Census Bureau, American Community Survey 5-Year Estimates for 2011-2015.

Table 4-4 provides median income levels for various types of households in 2015. **Not surprisingly, incomes were highest for men, families, and homeowners.** North Reading's per capita income was \$49,386 in 2015, higher than the county and state levels of \$44,152 and \$36,895, respectively. The median income of families was substantially higher than non-families, \$144,152 versus \$50,795, a finding highly correlated with the greater prevalence of two worker households in families. When looking at the age of the householder, the median income of seniors 65 years of age or older was \$59,739. **It is interesting that the median incomes of households with younger workers was comparable to those with older middle-aged workers at \$141,900 and \$142,301, respectively.**

Table 4-4: Median Income by Household Type, 2015

Type of Household/Householder	Median Income
Individual/Per capita	\$49,386
Households	\$123,103
Families	\$144,451
Nonfamilies*	\$50,795
Male full-time workers	\$92,847
Female full-time workers	\$64,828
Renters	\$52,917
Homeowners	\$131,382
Householder less than age 25	--
Householder age 25 to 44	\$141,900
Householder age 45 to 64	\$142,301
Householder age 65 or more	\$59,739
Veterans	\$49,432

Source: U.S. Census Bureau, American Community Survey 5-Year Estimates for 2011-2015.

*Includes persons living alone and unrelated households members.

Additionally, 1,456 residents were obtaining Social Security benefits with an average benefit of \$18,128. Another 997 residents received some other retirement income representing an average of \$28,163 in income.

4.2 Poverty – Relatively low but increasing

Table 4-5 indicates that poverty, while low in comparison to county and state levels of 8.3% and 11.6%, respectively, has fluctuated significantly over the past several decades but in general has grown.¹⁴ Census estimates indicate that poverty grew from 2.1% in 1989 to 3.3% by 2015, doubling in the number of residents living in poverty to 508 residents from 246. Poverty among families increased from 1.1% in 1989, to 3.8% by 2010, and then was estimated to decrease to 1.3% by 2015. While the numbers of female-headed households in North Reading is relatively low, estimated to have decreased from 196 to 106 such households between 2010 and 2015, this data suggests the numbers living in poverty declined from 56 to zero during this period. Poverty for children declined overall from 2.7% in 1989, down considerably to 0.4% by 1999, and then subsequently increased to 1.4% by 2015. **There have been fluctuations in the poverty rate among those 65 years of age or older, but overall it decreased from 13.9% in 1989, to 8.4% by 2010, and then was estimated to have decreased further to 6.3% by 2015, involving 135 residents.**

Table 4-5: Poverty Status, 1989-2015

	1989		1999		2010		2015	
	#	%	#	%	#	%	#	%
Individuals *	246	2.1	204	1.5	685	4.6	508	3.3
Families **	36	1.1	25	0.7	152	3.8	53	1.3
Female Headed Families ***	17	11.4	17	10.6	56	28.4	0	0.0
Related Children Under 18 Years ****	79	2.7	15	0.4	99	2.6	48	1.4
Individuals 65 and Over*****	151	13.9	37	2.8	155	8.4	135	6.3

Source: U.S. Census Bureau, Census 1990 and 2000 Summary File 3; American Community Survey 5-Year Estimates for 2006-2010 and 2011-2015. * Percentage of total population
 ** Percentage of all families *** Percentage of all female-headed families with children under 18
 **** Percentage of all related children under 18 years ***** Percentage of all individuals age 65+

An estimated 206 residents, or about 4% of all residents, received Food Stamp/Supplemental Nutritional Assistance Program (SNAP) benefits, requiring a maximum gross income within 130% of the poverty level and a net income at the poverty level, adjusted by household size.

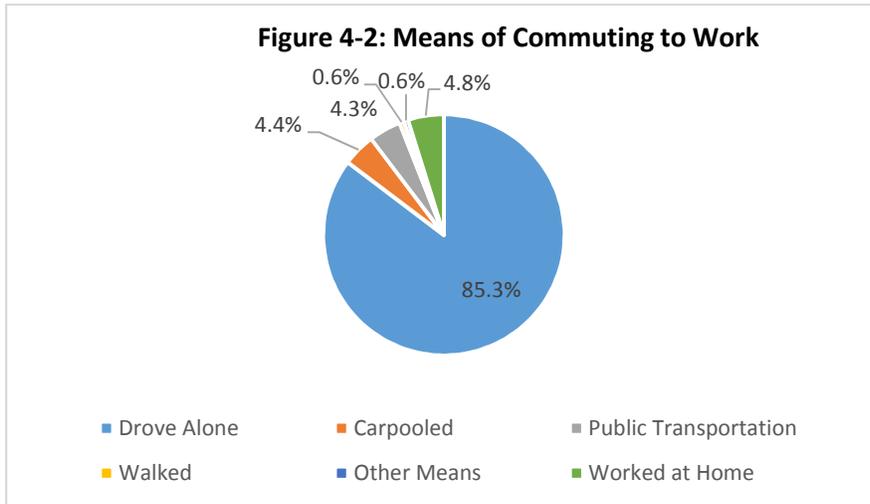
4.3 Employment – Diverse economic base

Of those 12,482 North Reading residents over the age of 16 in 2015, 8,725 or approximately 70% were in the labor market and 8,238 or about two-thirds were employed in 2015 according to census estimates. This data suggests an unemployment rate for town residents of 3.9% which was just a bit lower than the 4% rate reported by the state’s Executive Office of Labor and Workforce Development for 2015. Since 2015, the state indicates that unemployment rates decreased to 2.3% as of the end of

¹⁴ The federal poverty levels for 2016 were \$11,880 for a single individual and \$20,160 for a family of three (3).

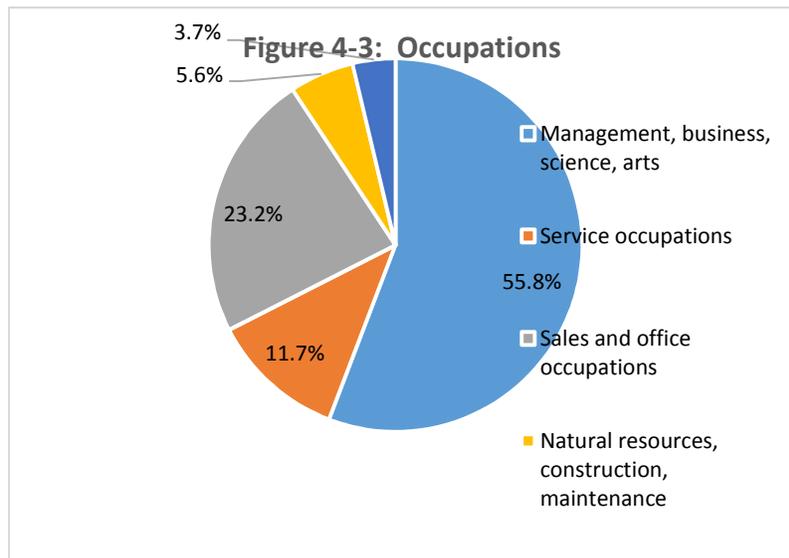
2016. This level was a bit lower than Boston’s at 2.5% but higher than Reading and Lynnfield’s at 2.0% and 2.1%, respectively, and the same as North Andover, for example.

Census figures further indicate that 4,939 workers, or 61% of those 8,125 North Reading residents who were employed, worked in Middlesex County with 3,082 or 39% working outside of the County that included 104 who worked out of state.



As shown in Figure 4-2, 85.3% of workers drove alone to work, another 4.4% carooled, and 4.3% used public transportation according to the 2015 census estimates. The closest commuter rail stations are in Wilmington, Woburn and Reading.

The 2015 Census Bureau’s American Community Survey data also provided information on the concentration of North Reading workers by industry, indicating that **56% of residents in the labor force were involved in management or professional occupations, which explains the relatively high income levels in the community.** Another 23% were in sales and office occupations, and the remainder in service occupations (11.7%) and a mix of other occupations as shown in Figure 4-3. An estimated 85.3% were wage and salaried workers, another 10.3% were government workers, and 4.4% were self-employed.



Detailed labor and workforce data from the state on employment patterns for those who work in North Reading is presented in Table 4-6. This information shows an average employment of 8,396 workers and a diverse range of enterprises.

Despite a relatively high average weekly wage, many of those working in North Reading would still likely find it challenging to live in the community unless they were long-term residents or had other sources of income given high housing costs.

The data indicates that manufacturing and warehousing/transportation have the highest numbers of employees, also with significant employment in the construction, retail trade, professional and technical services, as well as food service sectors. There are 549 businesses in town that provide \$600 million in total wages. The average weekly wage was \$1,372 which approximates an annual wage of about \$71,600. This average weekly wage was about 78% of Boston's of \$1,770, but considerably higher than \$781 for Reading, \$1,091 for North Andover,

and \$915 for Lynnfield, for example.

Table 4-6: Average Employment and Wages by Industry, 2015

Industry	# Establishments	Total Wages	Average Employment	Average Weekly Wage
Construction	91	\$64,056,350	760	\$1,621
Manufacturing	13	\$233,358,262	1,460	\$3,074
Wholesale Trade	29	\$36,418,994	383	\$1,829
Retail Trade	52	\$20,825,488	578	\$693
Transportation/Warehousing	17	\$85,978,061	2,075	\$797
Information	12	\$9,234,555	141	\$1,259
Finance/Insurance	27	\$11,320,226	172	\$1,266
Real Estate/Rental/Leasing	10	\$2,714,331	36	\$1,450
Professional/Technical Services	77	\$31,760,079	423	\$1,444
Management of Companies	3	\$9,844,445	113	\$1,675
Administrative/Waste Services	37	\$21,554,700	329	\$1,260
Health Care/Social Assistance	59	\$15,912,286	389	\$787
Arts/Entertainment/Recreation	11	\$2,518,979	129	\$376
Accommodation/Food Services	32	\$11,960,965	605	\$380
Other Services	62	\$7,333,187	253	\$557
Total	549	\$599,216,964	8,396	\$1,372

Source: Massachusetts Executive Office of Labor and Workforce Development, February 27, 2017/Shaded areas involve industries with an average employment of more than 400 workers.

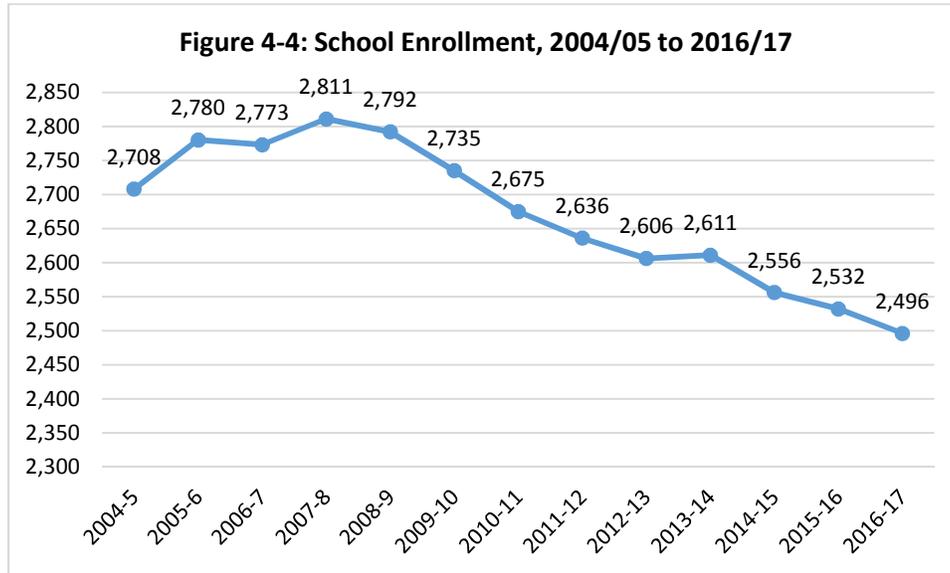
4.4 Education – Relatively high educational attainment and declining school enrollment

North Reading residents have a high level of educational attainment that is correlated with the higher income levels in the community. For example, the percentage of those having a high school diploma is higher in North Reading, at 96.9%, compared to county and state levels of 92.4% and 89.8%, respectively. Likewise, 51% had completed a bachelor's degree as of 2015, higher than 40.5% for the state but a bit lower than 52% for the county. Educational attainment has also been increasing, up considerably from 92.2% and 41.0% with at least high school or college degree in 2000, respectively.

Those enrolled in school (nursery through graduate school) in 2015 totaled 3,820 residents or 24.8% of the population, and those enrolled in preschool through high school totaled 2,967 students,

representing 19.3% of all residents. The 2000 census figures indicate somewhat more students in preschool through high school with 3,118 students or 22.5% of the population.

The North Reading Public School District reported a student enrollment of 2,496 students for the 2016-2017 school year, down from 2,811 students in 2007-2008 when enrollments were at their highest as shown in Figure 4-4. Enrollment projections from the New England School Development Council (NESDEC) from October 214 suggest continuing declines to 2,318 students by 2025 (see Section 6 for details).



4.5 Disability Status¹⁵ – Somewhat lower proportion of special needs residents except for children

Of all North Reading residents in 2015, 1,135 or 7.4% claimed a disability, lower than the 9.0% and 11.5% levels for the county and state, respectively, but still representing significant special needs within the North Reading community. While a bit lower overall, the North Reading level is somewhat higher for those under age 18 at 5.0% as compared to 3.4% for the county and 4.6% for the state. Disabilities among those over the age of 18 are lower in North Reading when compared to the county and state, however almost one-quarter of all seniors claimed some type of disability. These special needs will also likely increase with the significant projected increases of those 65 years of age or older. Moreover, the high housing cost burdens experienced by some of the non-elderly, non-family single individuals (see Table 5-15) is likely partially explained by those with disabilities who live primarily on Social Security and are typically some of the most hard-pressed residents to find affordable housing that meets their needs.

Table 4-7: Population Five Years and Over with Disabilities for North Reading, Middlesex County and the State, 2015

Age Range	North Reading		Middlesex County	Massachusetts
	#	%	%	%
Under 18 years	169	5.0	3.4	4.6
18 to 64 years	489	5.0	6.3	8.9

¹⁵ Disabled households contain at least one or more persons with a mobility or self-care limitation. It should also be noted that the term “disabled” is being replaced by some within the housing community with “people first” terminology as those with special needs are interpreted to be the people first who need affordable, available and/or accessible housing.

65 years +	477	23.2	30.9	33.4
Total	1,135	7.4	9.0	11.5

Source: U.S. Census Bureau, American Community Survey 5-Year Estimates. Includes those in the civilian, noninstitutionalized population.

Additional information on the types of disabilities for local seniors is summarized in Table 4-8, comparing North Reading estimates to those of the state based on Tufts Health Plan Foundation’s Healthy Aging Community Profile. Compared to the state, those 65 years and older who live in North Reading do better on average on almost all of the disability levels. The report further indicates that North Reading is a somewhat walkable community (meaning that there are some parts of town with pedestrian access) and older residents have lower rates of depression, COPD, hypertension, arthritis, and osteoporosis but higher rates of glaucoma. They have fewer emergency department visits and take less than the state average number of prescription medications.

As the population continues to age, services from the Council on Aging and other area service providers will become increasingly important, including the potential need for more assisted living options.

Table 4-8: Types of Disabilities

Population Characteristics	North Reading Estimates	State Estimates
% disabled for a year or more	33.9%	31.0%
Hearing impairment % 65-74/% 75+	7.3%/9.6%	7.4%/21.2%
Vision impairment % 65-74/% 75+	3.3%/0.0%	3.2%/9.3%
Cognition impairment % 65-74/% 75+	2.1%/0.0%	4.7%/12.1%
Ambulatory impairment % 65-74/% 75+	10.8%/15.7%	12.9%/29.4%
Self-care impairment % 65-74/% 75+	3.2%/5.7%	3.7%/12.2%
Independent living impairment % 65-74/% 75+	1.3%/13.3%	7.2%/24.3%

Source: Tufts Health Plan Foundation, updated March 2015

5. HOUSING PROFILE

This section of the Housing Needs Assessment summarizes housing characteristics and trends, analyzes the housing market from a number of different data sources and perspectives, compares what housing is available to what residents can afford, summarizes what units are defined as affordable by the state, and establishes the context for identifying priority housing needs. In general, North Reading’s housing stock is predominated by single-family homes with increases in multi-family units in the context of very low vacancy rates and increasing housing costs.

5.1 Housing Growth – Recent slowdown in housing growth although increases in multi-family development

Figure 5-1 shows North Reading’s historic housing growth, indicating that only about 7% of the Town’s housing predates World War II. Development was the highest in the 1950s and 1990s at 959 and 906 units, respectively, with residential construction ranging from 719 to 838 units during the decades in between. Since 2000 development has slowed significantly to 576 units built between 2000 and 2009 and only 64 units after that based on 2015 census estimates.

This data from the Census Bureau’s American Community Survey (ACS) provides somewhat different housing growth figures than the census counts in Table 5-2, which for example indicates that 763 units were built between 2000 and 2009, higher than the 576 unit total from in the ACS estimates. If you add the figures for 1990 through 2009 you get a fairly comparable total of 1,458 and 1,482 units through actual census counts and the ACS data, respectively. Moreover, Table 5-2 shows a total of 58 units built between 2010 and 2015, not too far off from the ACS data with 64 new units.

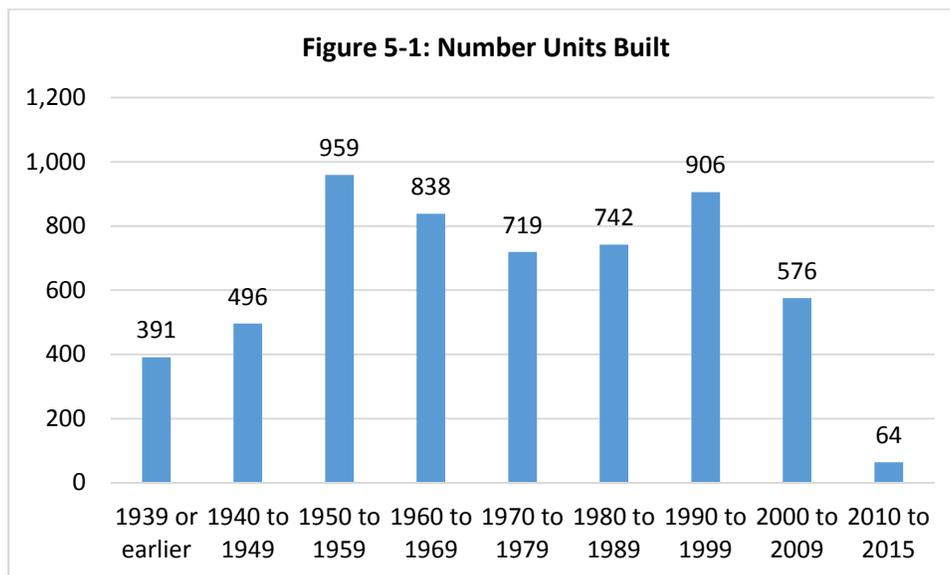


Table 5-1 provides information on the number of residential building permits for new single-family homes issued annually since 2000, with some marked fluctuations but an overall decline in building activity in general, from an average of 32 annual permits between 2000 and 2010 to a 22-permit average between 2011 and 2016. The highest number of units permitted occurred between 2002 and 2004. Building activity fell off following the recession in 2008 and 2009 then increased somewhat in 2014 with the lowest building activity occurring in 2015 with just 11 new homes.

The per unit average annual valuations fluctuated only modestly with the average about \$300,000 over the entire period.

Table 5-1: Residential Building Permits for Single-family Homes, 2000 through 2016

Year	# Building Permits for New Units	Total Valuation	Average Valuation/Unit
2000	38	\$10,890,800	\$286,600
2001	33	\$11,185,425	\$338,952
2002	43	\$11,607,615	\$269,945
2003	43	\$14,574,700	\$338,947
2004	41	\$12,091,400	\$294,912
2005	32	\$10,817,800	\$338,056
2006	31	\$8,496,244	\$274,072
2007	31	\$8,348,800	\$269,316
2008	18	\$4,375,700	\$243,094
2009	19	\$5,291,367	\$278,493
2010	22	\$7,204,400	\$327,473
<i>Subtotal</i>	351 <i>Average of 32 units/year</i>	\$104,884,251	\$298,815
2011	17	\$5,249,200	\$308,776
2012	17	\$5,264,500	\$309,676
2013	27	\$9,446,886	\$349,885
2014	29	\$8,414,500	\$290,155
2015	11	\$3,156,800	\$286,982
2016	29	\$7,472,000	\$257,655
<i>Subtotal</i>	130 <i>Average of 22 units/year</i>	\$39,003,886	\$300,030
Total	481	\$143,888,137	\$299,144

Source: University of Massachusetts, Donahue Institute, State Data Center and North Reading Building Department

Note: All units are single-family unless otherwise noted.

The total new units in Table 5-1 is complicated by teardown activity. Consequently, the actual net new units produced is not the same as the new building permit number included in Table 5-1. **The replacement of older more modest homes by larger expensive ones has become a significant component of the community's market dynamic.** Based on data from North Reading's Building Department, there were approximately 93 demolition permits issued since 2008 by the Town and all are likely to involve replacement housing involving 19% of the new residential permits identified in Table 5-1. This means that instead of 481 new single-family units built since 2000, it was likely closer to 388 units. Subtracting out the teardowns, net new housing units per year since 2011 are averaging 13 homes instead of 22. This would bring the total number of units as of 2016 to 5,782 units.

Some significant development of multi-family housing also occurred during this period including

- Central Place, a 55 and over condo development, includes 26 units on Central Street. This project was developed through the Chapter 40B comprehensive permit process with seven affordable units.
- Whittridge Place Condos is a 36-unit development on Mt. Vernon Street. Also permitted through Chapter 40B, the project includes nine affordable units.
- A total of 14 market units was built as part of the Ipswich River Townhome development on Haverhill Street.
- Another 14 units were built on Pilgrim Road. Known as Edgewater Place, the project also involved a comprehensive permit and includes four affordable units.
- A total of 28 units was included as part of the Rowe Farm development on Elm Street with seven affordable units permitted through Chapter 40B.
- Eleven buildings and 406 units of rental housing were built at the Edgewood Apartments project at 100 Lowell Road that was occupied in 2008. Lincoln Properties developed the project as part of a Chapter 40R Smart Growth Zoning Overlay District, and all of the units are counted as affordable in North Reading's Subsidized Housing Inventory (SHI).

This information suggests that a total of 524 multi-family units were created during the last decade, including 433 affordable ones,¹⁶ bringing the total number of units building since 2000 to 1,012, higher than the 821 units included in the census counts in Table 5-2 and much more than the census estimates in Figure 5-1. When considering teardown activity, the net new units built between 2000 and 2015 is closer to 950 units.

As to future housing growth, the Metropolitan Area Planning Council (MAPC) projects that the number of housing units will increase from 5,633 units in 2010 to 6,291 in 2020 and 6,816 by 2030. This suggests the addition of 1,183 net new units and representing a 21% rate of growth over these decades. These projections were based on MAPC's "Status Quo" projections that assume continuing trends towards births, deaths, in- and out-migration and occupancy patterns. Their "Stronger Region" projections suggest greater housing growth to 6,405 units by 2020 and 7,050 by 2030 and a growth rate of 25% based on a projected increase of 1,417 units between 2010 and 2030.¹⁷ Certainly the redevelopment of the State Hospital site will contribute to these significant unit increases.

5.2 Housing Occupancy – High level of owner-occupancy and very low vacancy rates

Besides total housing unit figures, Table 5-2 includes a summary of housing characteristics from 1990 through 2015 that indicates the following major trends:

- *High level of owner-occupancy*
Of the 5,633 total housing units in 2010, North Reading had 5,597 year-round units¹⁸ of which 5,439 or 96.6% were occupied, reflecting low vacancies. Of the occupied units, 4,608 or 84.7% were owner-occupied compared to 62% for Middlesex County and the state. The 2015 census

¹⁶ The actual number of affordable units is 102 as 304 market units were included in the SHI for Edgewood.

¹⁷ See Section 3.2 for a description of the "Stronger Region" assumptions.

¹⁸ The year-round figure (5,597 units) is the one used under Chapter 40B for determining the 10% affordability goal and annual housing production goals. It is calculated by subtracting the seasonal or occasional units (36) from the total number of units (5,633) per the 2010 census. The figure will be readjusted when the results of the 2020 census are released.

estimates indicate an increase of 62 owner-occupied units for a total of 4,670 units or 87% of the housing stock, not far off from 88.3% in 1990. In fact **about three-quarters of housing growth occurred in the owner-occupied supply between 1990 and 2010** with a growth rate of 28%. The 2015 census estimates suggest an increase of 62 owner-occupied units since 2010, lower than the 101 single-family building permits that were issued between 2011 and 2015.

- *Significant rental housing growth*

Census data indicates that renter-occupied units grew by 75% between 1990 and 2010, from 474 to 831 units, while total occupied housing growth was 34%. This new development was largely a product of the 406 new units created as part of the Edgewood Apartments. **While a relatively small segment of the housing stock, at about 15% of all occupied units, rentals represented about one-quarter of the new housing growth between 1990 and 2010.** The 2015 census estimates indicate a loss of 140 rental units between 2010 and 2015 which is highly questionable.

- *Decrease in persons per unit*

The average number of persons per unit declined between 1990 and 2010, from 3.00 persons to 2.87 persons for owner-occupied units and from 2.15 persons to 1.82 persons for rental units. The 2015 census estimates suggest some increase in both these averages which is surprising and questionable. These low average occupancy levels reflect local, regional and national trends towards smaller households and relate to the change in the average household size in North Reading from 2.90 persons in 1990 to 2.71 in 2010 and then to 2.84 persons by 2015 (representing another questionable reversal of past trends).

Table 5-2: Housing Occupancy, 1990 to 2015

Housing Characteristics	1990		2000		2010		2015	
	#	%	#	%	#	%	#	%
Total # Housing Units	4,175	100.0	4,870	100.0	5,633	100.0	5,691	100.0
Occupied Units*	4,065	97.4	4,795	98.5	5,439	96.6	5,361	94.2
Total Vacant Units/ Seasonal, Rec. or Occasional Use*	111/ 19	2.7/ 0.5	75/ 31	1.5/ 0.6	194/ 36	3.4/ 0.6	330/ 32	5.8/ 0.6
Occupied Owner Units**	3,591	88.3	4,339	90.6	4,608	84.7	4,670	87.1
Occupied Rental Units**	474	11.7	456	9.5	831	15.3	691	12.9
Average Household Size/ Owner-occupied Units	3.00 persons		2.95 persons		2.87 persons		2.97 persons	
Average Household Size/ Renter-occupied Units	2.15 persons		2.01 persons		1.82 persons		1.97 persons	

Source: U.S. Census Bureau, Census 1990, 2000 and 2010 Summary File 1 and American Community Survey 5-Year Estimates, 2011-2015 * Percentage of all housing units ** Percentage of occupied housing units

- *Very low vacancy rates, particularly for rentals*

As shown in Table 5-3, census data suggests very low vacancy rates of 1.3% for ownership and zero for rentals as of 2015. The rental vacancy rate is lower than the county and state with the homeowner rate just slightly above the county and state. As any rate below 5% reflects tight housing market conditions, these vacancy levels signal limited housing availability for both rentals and ownership.

Table 5-3 Vacancy Rates, 2000, 2010 and 2015

Tenure	2000	2010	2015	County 2015	MA 2015
Rental	1.3%	6.8%	0.0%	3.2%	4.2%
Homeowner	0.4%	0.9%	1.3%	0.9%	1.2%

Source: U.S. Census Bureau, 2000, and 2010 and American Community Survey 5-Year Estimates, 2011-2015.

5.3 Types of Structures and Units – Fluctuations in some housing types over time predominated by single-family homes

Census data indicates that there is some limited diversity in North Reading’s existing housing stock as summarized in Table 5-4 and shown in Figure 5-2 with about 20% of all units in multi-family housing of two units or more, 12% in properties with ten units or more. Clearly the development of the Edgewood project significantly boosted the amount of available multi-family housing. Also, while there were 41 mobile homes and 27 households living in vans, RV’s, etc. in 1990, these disappeared according to 2015 census estimates but Town Assessor records identify 30 such units at 103 and 142 Main Street.

Table 5-4: Units in Structure, 1990 to 2015

Type of Structure	1990		2000		2010**		2015	
	#	%	#	%	#	%	#	%
1 unit detached	3,406	81.6	4,029	82.7	4,282	80.7	4,543	79.8
1 unit attached	132	3.2	171	3.5	233	4.4	300	5.3
2 units	50	1.2	38	0.8	153	2.9	62	1.1
3-4 units	72	1.7	103	2.1	98	1.8	44	0.8
5-9 units	13	0.3	30	0.6	57	1.1	50	0.9
10+ units	435	10.4	451	9.3	470	8.9	692	12.2
Mobile home	41	1.0	48	1.0	15	0.3	0	0.0
Other*	27	0.6	0	0.0	0	0.0	0	0.0
Total	4,176	100.0	4,870	100.0	5,308	100.0	5,691	100.0

Source: U.S. Census Bureau, Census 1990, 2000 and Summary File 3; American Community Survey 5-Year Estimates for 2006-2010 and 2011-2015

*Other includes boats, vans, etc.

**Figures are from sample data and not actual counts and the total number of housing units is an estimate and not the same as the 2010 actual census count of 5,633 in Table 5-2.

Figure 5-2: Distribution of Units per Structure, 2015

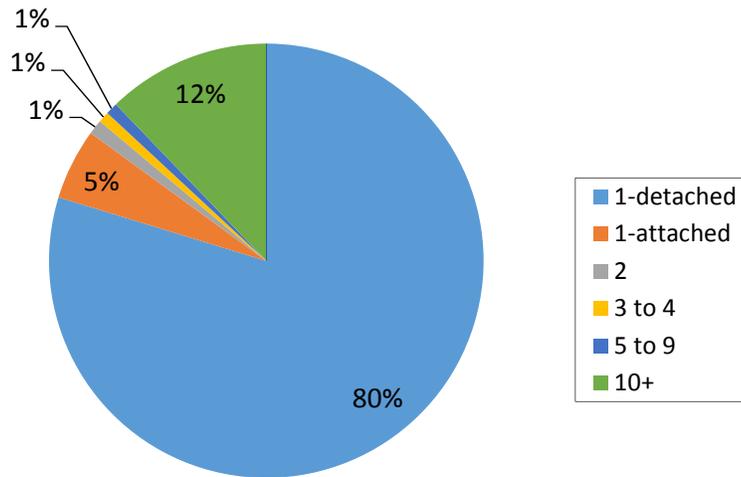


Table 5-5 provides an estimated breakdown of the 2015 distribution of types of properties according to whether the units were occupied by renters or homeowners. While 94% of owners resided in single-family homes, almost a third of renters also lived in single-family detached homes (223 renters in detached and 19 in attached dwellings), significantly more than the 10% statewide level. Half of all renters lived in larger multi-family structures of ten units or more for a total of 347 units which is less than what would be expected given the 406 units at Edgewood Apartments.

Table 5-5: Units in Structure by Tenure, 2015

Type of Structure	Owner-occupied Units		Renter-occupied Units	
	#	%	#	%
Single unit detached and attached	4,372	93.6	242	35.0
2 to 4 units	29	0.6	77	11.1
5 to 9 units	25	0.6	25	3.6
10+ units	244	5.2	347	50.2
Total	4,670	100.0	691	100.0

Source: U.S. Census Bureau, 2011-2015 American Community Survey 5-Year Estimates

Table 5-6 provides information on the distribution of unit sizes and indicates that the median-sized unit included 6.9 rooms according to 2015 census estimates or with about four bedrooms, much higher than the county and state medians of 5.7 and 5.5 rooms, respectively. In addition, those units most appropriate for single persons, with four rooms or less, comprised about 19% of the housing stock in 2015, higher than the 15% level in 2000 and related to the construction of rental housing. Given that 52% of North Reading’s households included single individuals or two (2) persons, **a substantial portion of households might be considered “overhoused”**. **On the other end of the spectrum, there was a substantial increase in larger homes of nine rooms or more, almost doubling in number between 2000 and 2015 and fueling 75% of the increase in the housing stock.**

Table 5-6: Number of Rooms per Unit, 2000 and 2015

Number of Rooms per Unit	2000		2015	
	#	%	#	%
1 Room	0	0.0	0	0.0
2 Rooms	55	1.1	84	1.5
3 Rooms	202	4.1	391	6.9
4 Rooms	477	9.8	589	10.3
5 Rooms	601	12.3	456	8.0
6 Rooms	909	18.7	1,038	18.2
7 Rooms	949	19.5	801	14.1
8 Rooms	895	18.4	931	16.4
9 or More Rooms	782	16.1	1,401	24.6
Total	4,870	100.0	5,691	100.0
Median (Rooms) for All Units	6.7 rooms		6.9 rooms	

Source: U.S. Census Bureau, 2000, Summary File 3, and the 2011-2015 American Community Survey

It should also be noted that there is no reported overcrowding in North Reading as 2015 census estimates indicated that there were no units with more than 1.51 occupants per room, the traditional definition.

5.4 Housing Market Conditions – Housing costs have surpassed pre-recession levels and continue to increase

The following analysis of the housing market looks at past and present values of homeownership and rental housing from a number of data sources including:

- The 1990, 2000 and 2010 Decennial U.S. Census Bureau figures
- The U.S. Census Bureau's American Community Survey 5-year Estimates, 2006-2010 and 2011-2015
- The Warren Group's median sales price statistics and sales volume by year, from 2000 through 2016
- Multiple Listing Service data
- Assessor's data
- Internet listings
- Local real estate agents

Homeownership

Census data also provides information on housing values as summarized in Table 5-7 for owner-occupied units. The 2015 census estimates indicate that the median owner-occupied house value was \$439,500, down from \$463,800 in 2010. It was also 131% of the 1990 median of \$177,200 and much higher than the 81% rate of inflation for the 1990 to 2015 period.

Table 5-7: Housing Values of Owner-occupied Units, 1990 to 2015

Price Range	1990		2000		2010		2015	
	#	%	#	%	#	%	#	%
Less than \$100,000	70	2.3	37	1.0	58	1.3	126	2.7
\$100,000-\$199,999	1,682	55.4	861	22.3	184	4.1	194	4.1
\$200,000-\$299,999	957	31.5	1,508	39.0	348	7.7	395	8.5
\$300,000-\$399,999	253	8.3	1,227	31.6	2,006	44.5	2,305	49.4

\$400,000-\$499,999	57	1.9						
\$500,000-\$999,999	16	0.5	221	5.7	1,806	40.0	1,569	33.6
\$1 million or more			8	0.2	109	2.4	81	1.7
Total	3,035	100.0	3,862	100.0	4,511	100.0	4,670	100.0
Median (dollars)	\$190,300		\$270,300		\$463,800		\$439,500	

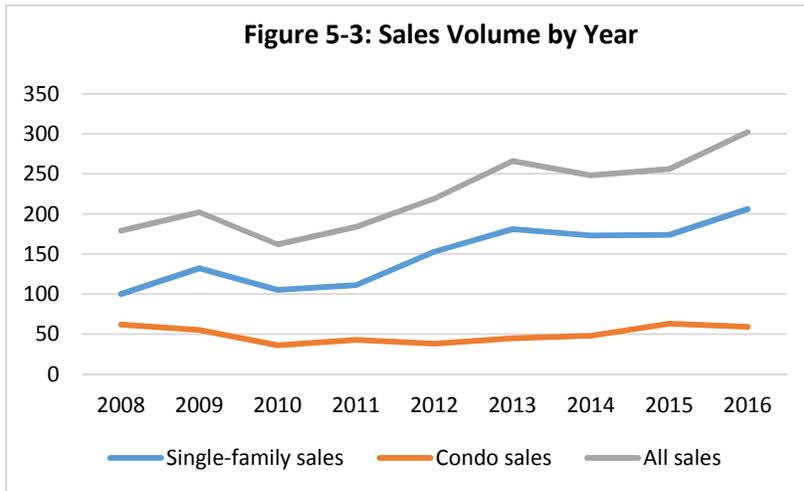
Source: U.S. Census Bureau, 1990 and 2000 Summary File 3 and American Community Survey 5-Year Estimates for 2006-2010 and 2011-2015.

Based on census data, there is little affordability remaining in the ownership housing stock with 320 units valued below \$200,000 and 715 below \$300,000, representing about 7% and 15% of all owner-occupied units, respectively. Most of these units are condos.

While there is only a modest supply of owner-occupied units that are relatively affordable, more than one-third of all owner-occupied units were valued at more than \$500,000, including 82 units beyond \$1 million. Units priced in the mid-range, between \$300,000 and \$499,999, increased significantly, from about 10% of owner-occupied properties in 1990 to half of all units by 2015.

Table 5-8 provides The Warren Group data on median sales prices and number of sales from 2000 through 2016, offering a long-range perspective on sales activity. This data is tracked from Multiple Listing Service (MLS)

information based on actual sales.



The median sales price of a single-family home as of the end of 2016 was \$508,950, up from \$472,700 in 2015 and considerably higher than the median of \$439,500 from the 2015 census estimates. This median is the highest in the town’s history from a previous high of \$480,000 in 2005 just before the “bursting of the housing bubble”. Values fell off substantially after the recession and reached its lowest level in

2009 at \$367,549.

As shown in Figure 5-3, the number of single-family home sales has climbed in recent years beyond pre-recession levels to a high of 206 sales in 2016, the highest in North Reading’s history from a low of 100 sales in 2008.

The condo market has experienced more volatility in terms of both values and number of sales. The highest median sales price was \$321,000 in 2011, declining to \$185,451 in 2014, and then increasing after that to \$229,000 in 2016. The volume of condo sales was highest in 2007, at 76 sales, and then plummeted after that to a low of 36 sales in 2010, and revived somewhat after that but not near the 2007 level.

Table 5-8: Median Sales Prices and Number of Sales, 2000 through 2016

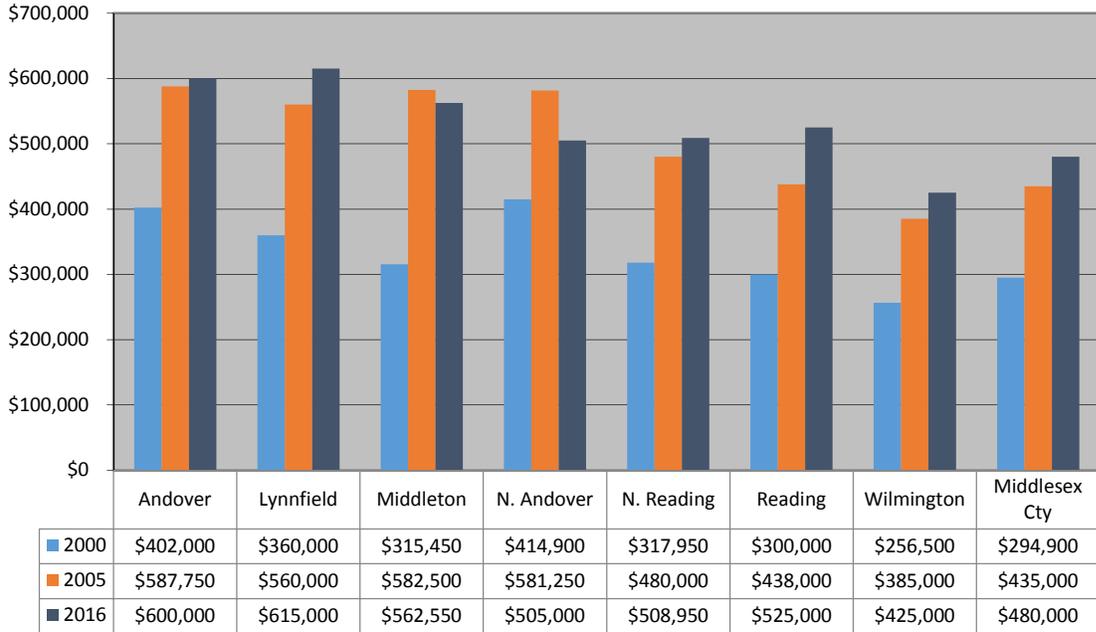
Year	Months	Single-family		Condominiums		All Sales	
		Median	# Sales	Median	# Sales	Median	# Sales
2016	Jan – Dec	\$508,950	206	\$229,000	59	\$450,000	302
2015	Jan – Dec	472,700	174	210,000	63	425,000	256
2014	Jan – Dec	456,020	173	185,450	48	429,950	248
2013	Jan – Dec	425,000	181	240,000	45	397,500	266
2012	Jan – Dec	390,000	153	239,950	38	370,000	219
2011	Jan – Dec	380,000	111	321,000	43	358,900	184
2010	Jan – Dec	409,000	105	262,250	36	375,000	162
2009	Jan – Dec	367,549	132	239,900	55	348,950	202
2008	Jan – Dec	407,000	100	297,450	62	385,000	179
2007	Jan – Dec	395,000	140	216,000	76	390,000	244
2006	Jan – Dec	423,500	158	207,000	62	392,500	244
2005	Jan – Dec	480,000	153	215,000	59	429,285	262
2004	Jan – Dec	430,000	181	175,250	50	405,500	279
2003	Jan – Dec	399,000	172	180,000	71	383,750	308
2002	Jan – Dec	368,700	156	152,000	55	337,000	271
2001	Jan – Dec	315,000	138	135,000	65	280,000	252
2000	Jan – Dec	317,950	160	114,900	63	265,000	269

Source: The Warren Group/Banker & Tradesman, March 1, 2017

North Reading's single-family house prices have been consistently higher than county levels and are currently comparable to North Andover as demonstrated in Figure 5-4. Only Middleton and North Andover's medians have not caught up with the 2005 values, when the housing market was at its height for most communities prior to the recession.

Lynnfield had the highest 2016 median single-family house price at \$615,000 although Andover at \$600,000 is catching up and had higher median values than Lynnfield in both 2000 and 2005. Neighboring Wilmington has consistently had the lowest values with a 2016 median price of \$425,000.

Figure 5-4: Median Single-Family Home Values for North Reading and Neighboring Communities



Another analysis of housing market data is presented in Table 5-9, which breaks down sales data from the Multiple Listing Service as compiled by *Banker & Tradesman* of The Warren Group for single-family homes and condominiums. This table provides a snapshot of the range of sales from February 2016 through January 2017.

There were 285 total sales during this period, including 227 single-family homes and 58 condos. One single-family home and 23 condos sold below \$200,000, and were therefore roughly affordable to those earning at or below 80% of area median income (AMI).¹⁹ However, it is likely that many of these units were very small and/or in poor condition. Most of the single-family homes sales were in the \$300,000 to \$600,000 range with a median sales price of \$505,000 during this 12-month period. North Reading has a luxury market, albeit small, with 13 properties that sold for more than \$1 million during this period; 83 sold for more than \$600,000.

Condos were considerably more affordable as almost all sales were below \$500,000 and 40% were below \$200,000 with a median sales price of \$276,000.

Table 5-9: Single-family House and Condo Sales, February 2016 through January 2017

Price Range	Single-families		Condominiums		Total	
	#	%	#	%	#	%
Less than \$200,000	1	0.4	23	40.0	24	8.4
\$200,000-299,999	21	9.3	8	13.8	29	10.2
\$300,000-399,999	36	15.9	7	12.1	43	15.1

¹⁹ There were two single-family home sales for \$7,000 each that were unlikely arms-length market transactions and are not included in the analysis.

\$400,000-499,999	52	22.9	15	25.9	67	23.5
\$500,000-599,999	36	15.9	3	5.2	39	13.7
\$600,000-699,999	25	11.0	2	3.4	27	9.5
\$700,000-799,999	22	9.7	0	0.0	22	7.7
\$800,000-899,999	13	5.7	0	0.0	13	4.6
\$900,000-999,999	8	3.5	0	0.0	8	2.8
Over \$1 million	13	5.7	0	0.0	13	4.6
Total	227	100.0	58	100.0	285	100.0

Source: Banker & Tradesman, March 1, 2017

Assessor data on the assessed values of residential properties in North Reading is presented in Tables 5-10 and 5-11, as well as in Figure 5-5, providing some insights into not only the diversity of the existing housing stock but also the range of values for each dwelling type.

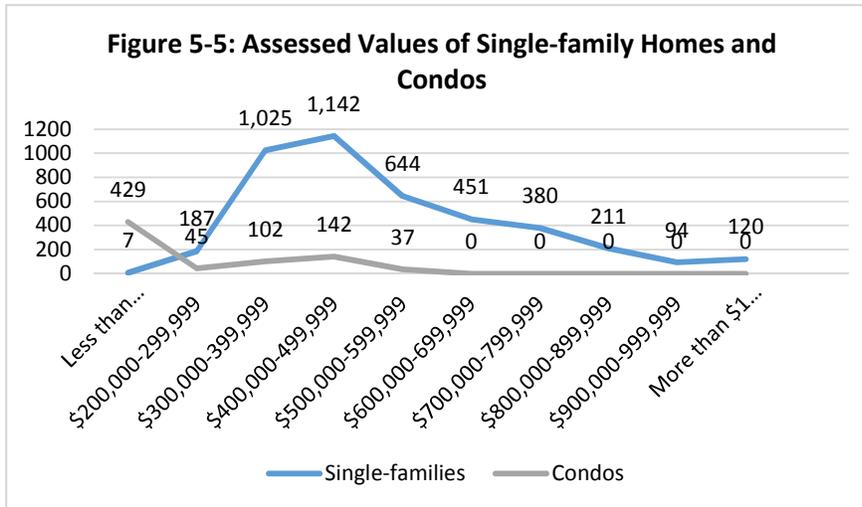
Table 5-10 provides information on the assessed values of single-family homes and condominiums. This data shows that North Reading has 4,261 single-family properties which is less than the 4,543 single-family detached units included in the 2015 census estimates but close to the 4,282 units counted in the 2010 census figures. Only seven of these units were valued below \$200,000 with only another 187 homes assessed between \$200,000 and \$300,000. Consequently, Assessor data confirms that **there is very little affordability remaining in the single-family housing stock**. More than half of the homes were assessed between \$300,000 and \$500,000. The remaining 1,900 units, or 46% of the single-family homes, were valued beyond \$500,000 with 120 assessed for over \$1 million. The median assessed value was \$474,900, less than the median sales price of \$508,950 as of the end of 2016 according to The Warren Group (see Table 5-8), although assessed values are typically somewhat lower than market prices, particularly under rising market conditions.

Table 5-10: Assessed Values of Single-family and Condominiums

Assessment	Single-family Dwellings		Condominiums		Total	
	#	%	#	%	#	%
Less than \$200,000	7	0.2	429	56.8	436	8.7
\$200,000-299,999	187	4.4	45	6.0	232	6.4
\$300,000-399,999	1,025	24.1	102	13.5	1,127	22.5
\$400,000-499,999	1,142	26.8	142	18.8	1,284	25.6
\$500,000-599,999	644	15.1	37	4.9	681	13.6
\$600,000-699,999	451	10.6	0	0.0	451	9.0
\$700,000-799,999	380	8.9	0	0.0	380	7.6
\$800,000-899,999	211	5.0	0	0.0	211	4.2
\$900,000-999,999	94	2.2	0	0.0	94	1.9
Over \$1 million	120	2.8	0	0.0	120	2.4
Total	4,261	100.0	755	100.0	5,016	100.0

Source: North Reading Assessor, Fiscal Year 2017

Condominiums are a much smaller segment of North Reading's housing stock with 755 such units. The relative affordability of the condo market is demonstrated by 429 condos, or about 57% of all condos, assessed below \$200,000 with a median assessed value at \$186,000. This median is once again lower than the median sales price of \$229,000 based on The Warren Group's *Banker & Tradesman* data as of the end of 2016. This is again not surprising given rising market conditions.



Assessor’s data for multi-unit properties, as presented in Table 5-11, indicates that there are 35 two-family homes (70 units), 5 three-family homes (15 units), and 57 properties with multiple dwelling units on a single lot. The median two-family house is assessed at \$422,500, the three-family house at \$517,400, and multiple dwellings on a single lot at \$504,300. Assessor’s data includes two multi-

family developments with four to eight units and two with eight or more units, including Edgewood. The data does not provide information on the numbers of units however.

Table 5-11: Assessed Values of Multi-family Properties

Assessment	2-unit Properties		3-unit Properties		Multiple Houses on 1 Lot		4-8 Unit Properties/More Than 8-Unit Properties	
	#	%	#	%	#	%	#	%
Less than \$200,000	0	0.0	0	0.0	0	0.0	0/0	0.0/0.0
\$200,000-299,999	1	2.9	0	0.0	7	12.3	0/0	0.0/0.0
\$300,000-399,999	11	31.4	2	40.0	12	21.1	0/0	0.0/0.0
\$400,000-499,999	18	51.4	0	0.0	6	10.5	1/0	50.0/0.0
\$500,000-599,999	4	11.4	3	60.0	16	28.1	1/0	50.0/0.0
\$600,000-699,999	0	0.0	0	0.0	8	14.0	0/0	0.0/0.0
\$700,000-799,999	1	2.9	0	0.0	2	3.5	0/0	0.0/0.0
\$800,000-899,999	0	0.0	0	0.0	0	0.0	0/0	0.0/0.0
\$900,000-999,999	0	0.0	0	0.0	2	3.5	0/0	0.0/0.0
Over \$1 million	1	2.9	0	0.0	4	7.0	0/2	0.0/100.0
Total	35 70 units	100.0	5 15 units	100.0	57	100.0	2/2	100.0/ 100.0

Source: North Reading Assessor, Fiscal Year 2017.

North Reading also has 22 mixed-use properties including 11 that are primarily residential with a median value of \$391,700 and 11 that are largely commercial with a residential component and a median of \$517,800. Once again, the data does not include the number of units in these properties.

Rentals

Table 5-12 presents information on rental costs from 1990 to 2015 based on U.S. Census Bureau figures. This data indicates that the greatest cost increases in the rental market occurred between 2000 and 2010 when the median gross rent increased by 65%, from \$783 to \$1,289. It increased still more to \$1,482 by 2015 or by another 15%. It is also important to note again that the census counts include 202

actual subsidized units,²⁰ representing about 38% of all rental units in North Reading and thus make the median rentals in Table 5-12 appear more affordable than they really are.

Table 5-12: Rental Costs, 1990 to 2015

Gross Rent	1990		2000		2010		2015	
	#	%	#	%	#	%	#	%
Under \$200	41	8.9	15	3.3	14	2.7	31	4.5
\$200-299	24	5.2	31	6.8	32	6.2		
\$300-499	71	15.3	66	14.4	15	2.9		
\$500-749	167	36.1	82	17.9	64	12.4	153	22.1
\$750-999	93	20.1	167	36.5	38	7.4	144	20.8
\$1,000-1,499	45	9.7	55	12.0	220	42.7		
\$1,500+			24	5.2	132	25.6		
No Cash Rent	22	4.8	18	3.9	0	0.0	43	6.2
Total	463	100.0	458	100.0	515	100.0	691	100.0
Median Rent	\$640		\$783		\$1,289		\$1,482	

Source: U.S. Census Bureau, Census 1990 and 2000 Summary File 3 and American Community Survey 5-Year Estimates for 2006-2010 and 2011-2015

Table 5-13 provides a summary of available rentals that were listed on various websites. These listings are primarily in larger apartment complexes or smaller multi-family properties with most of the rents considerably higher than the \$1,482 median rent listed in the 2015 census estimates.

Table 5-13: Market Rental Listings, February 2017

Location	# Bedrooms	# Baths	Square Footage	Listed Rent
Edgewood	1	1	--	\$1,695-\$2,320
	2	1-2	--	\$2,165+
46 Main Street/condo for rent	2	--	981	\$1,650
38 Main Street/condo for rent	2	1	742	\$1,500
Main Street/room in condo	1	1	750	\$750
House on Adrian Drive	5	4	5,249	\$5,000
30 Haven Street/Reading	1	1	774	\$1,895-\$2,095
	2	2	1,221	\$2,575-\$2,659
Royal Crest Estates/Andover	2	2	885-1,250	\$1,549-\$3,585
	3	2	1,300-1,450	\$2,039-\$6,320
Berry Farms/North Andover	1	1	756-907	\$1,710-\$1,930
	2	2	1,056-1,081	\$2,075-\$3,250
	3	2	1,219-1,226	\$2,240-\$2,545
Avalon Oaks/Wilmington	1	1	764-1,048	\$1,745-\$2,030
	2	2	1,174-1,514	\$1,990-\$2,195
	3	2	1,313-1,648	\$2,359-\$2,645

Sources: Various websites including Apartments.com, rent.com, Zillow, Trulia.

After a \$750 room for rent in a two-bedroom condo, the next lowest apartment listing was \$1,500 for a two-bedroom condo on Main Street and the highest North Reading apartment listing was a one-bedroom unit for \$2,340 at Edgewood. A large single-family home was also listed at \$5,000. A sample of listings in neighboring communities is also included that further suggests high rental costs for the general area.

²⁰ While the SHI counts 506 rental units, 304 of these units are actually market units.

It should also be noted that a very low rental vacancy rate reflects little availability of rentals beyond normal unit turnover. Moreover, it is likely that many rentals turnover by word of mouth instead of listings by real estate agents or property managers.

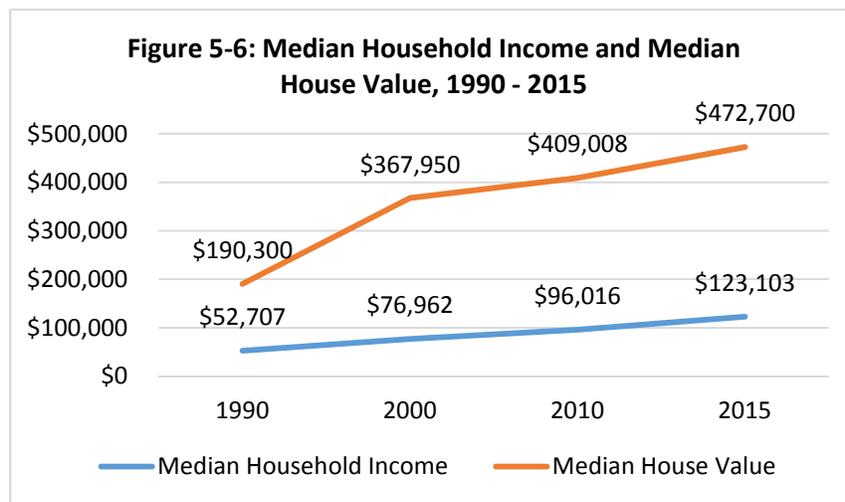
Additionally, many rentals require first and last month’s rent plus a security deposit equivalent to as much as a month’s rent. For a \$1,500 apartment that totals potentially as much as \$4,500 in up-front cash, an amount that many prospective tenants do not have available.

5.5 Affordability Analysis – Widening affordability gaps and high cost burdens

While it is useful to have an understanding of past and current housing costs, it is also important to analyze the implications of these costs on residents’ ability to afford them for both homeownership and rentals.

Affordability Gaps - Homeownership

A traditional rough rule of thumb is that housing is affordable if it costs no more than 2.5 times the buyer’s household income. By this measure, the median income household earning \$123,103 in North Reading could afford a house of approximately \$307,758, 60% the median house price of \$508,950 as of the end of 2016 according to The Warren Group that tracks all sales. *This implies that the household in the middle of the town’s income range faced an “affordability gap” of about \$200,000.*



Housing prices have in fact risen faster than incomes as the gap between median household income and the median single-family house price has widened. While incomes increased by 134% between 1990 and 2015, the median single-family house price rose by 148% based on The Warren Group data. *Moreover, the gap between income and house value was \$137,593 in 1990 but increased*

to \$349,597 in 2015.

Another way of calculating the affordability gap is to estimate the difference between the median priced house and what a median income earning household can afford to pay based on spending no more than 30% of income on housing costs.²¹ To afford the median sales price of a single-family home of \$508,950, based on The Warren Group’s *Banker & Tradesman* data as of the end of 2016, a household would have to earn an estimated \$125,434 with 80% financing.²² This income is only somewhat higher than the

²¹ Based on the 2015 census estimate of \$123,103 for median household income for North Reading.

²² Figures based on 80% financing, interest of 5.0%, 30-year term, annual property tax rate of \$16.41 per thousand, \$250 in monthly condo fees, and insurance costs of \$4 per \$1,000 for condominiums and \$6 per thousand for single-family homes. The calculations are also based on the purchaser spending no more than 30% of gross income on mortgage (principal and interest), taxes and insurance.

median household income for the town per the 2015 census estimate of \$123,103 and consequently there is only a small affordability gap.

The median income earning household could likely afford a single-family home of about \$500,000 based on 80% financing. *The affordability gap is then about \$9,000 - the difference between the price of the median priced single-family home (\$508,950) and what a median income household can afford (\$500,000).*²³ The \$105,000 in down payment and closing costs would effectively widen this affordability gap however.

Even what could be considered a “starter home” of \$358,000 requires an income of about \$88,290. There are only about 600 single-family homes available to those earning at or below this income level.

For those earning at 80% of area median income limit (\$65,750 for a family of three), this gap is \$272,950, the difference between the maximum they could afford of approximately \$236,000 and the median single-family house price of \$508,950. These figures are based on 95% financing, assuming that the purchasers could qualify for

first-time homebuyer programs such as the state’s One Mortgage Program or MassHousing’s mortgage offerings for example. It should also be noted that this price is based on the 80% of area median income (AMI) limit for the Boston area, and purchase prices for deed-restricted units are calculated for a household earning at 70% AMI to allow for some marketing window in addition to other prescribed requirements.

There are no affordability gaps for condos as the median condo price of \$229,000, as of the end of 2016 from The Warren Group’s Banker & Tradesman, would require an income of about \$72,300, which is well below North Reading’s median household income of \$123,103. A median income-earning household could likely afford a condo for about \$471,500 which is more than double the median condo price of \$229,000.²⁴ *The affordability gap for those households earning at the 80% of area median income limit (\$65,750 for a household of three) increases to an estimated \$24,000 or the difference between the median condo price (\$229,000) and what a household earning at \$65,750 could probably afford (\$205,000).*

Table 5-14 provides a breakdown of the number of units existing within various affordability ranges and demonstrates how little affordability exists within the single-family housing stock.

²³ Ibid.

²⁴ Figures based on 95% financing, interest of 5.0%, 30-year term, annual property tax rate of \$16.41 per thousand, \$250 monthly condo fee, insurance costs of \$4 per \$1,000 for condominiums, and the purchaser spending no more than 30% of gross income on mortgage (principal and interest), taxes and insurance. It is also assumes that the purchaser would be eligible for a subsidized mortgage program such as the ONE Mortgage Program on a MassHousing mortgage that would not require private mortgage insurance.

Table 5-14: Distribution of Single-family Home and Condo Values by Income Range

Price Range Single-family/ Condo*	Income Range (based on HUD Area Median Income (AMI) Limits	Single-family Homes Available in Price Range		Condominiums Available in Price Range	
		#	%	#	%
\$500,000/\$471,500	At Town’s median Income (\$123,103)^	2,095	49.1	644	85.3
\$236,000/\$205,000	At 80% AMI (\$65,750)**	42	1.0	430	57.0
\$236,001-\$358,000/ \$205,001-\$326,500	80% - 100% AMI^ (\$65,750 - \$88,290)***	563	13.2	89	11.8
\$358,001-\$430,000/ \$326,501-\$400,000	100% - 120% AMI (\$88,291 - \$105,948)^	1,006	23.6	57	7.5
More than \$430,000/more than \$400,000	More than 120% AMI (More than \$105,948)^	2,650	62.2	179	23.7
Total		4,261	100.0	755	100.0

Source: Town Assessor’s Database for Fiscal Year 2017. Please note that as a standard practice, assessed value is assumed to be at least 93% below actual value or potential sale price with some assessments even lower. Figures based on a three-person household.

* Includes estimated condo fee of \$250 per month.

** Based on 95% financing given potential eligibility for subsidized mortgage programs such as the ONE Mortgage Program and MassHousing offerings. All other income ranges assume 80% financing.

^Based on 80% financing.

*** Based on Community Preservation Act income limits for a household of 3.

According to Assessor’s data, about half of all *single-family homes* were affordable to households earning below the town’s median income (\$123,103) based on 2015 census estimates. Using percentages of area median income for the Boston area, only 42 or 1% were likely affordable to those earning at or below 80% of area median income (\$65,750 for a household of three). Another 563 units or 13% of all single-family homes were likely affordable to those earning between 80% and 100% of area median income (\$88,290 based on a three-person household). It should also be noted that many of these units were likely small with some in poor condition.

More than two-thirds of condos were potentially affordable to those earning at or below 100% AMI, 57% below 80% AMI, which demonstrates considerable affordability in this segment of North Reading’ housing market.

Condominiums are valued much more affordably with 644 units or about 85% of condos likely affordable to households earning at or below the North Reading \$123,103 median household income using the 2015 census estimate. This is largely due to the fact that many condos were built in the 1970s and are located in older buildings that have not been renovated. Newer condos are valued in the 400s however.

Assessor’s data also indicated that North Reading had 97 small multi-family dwellings including 35 two-family properties (70 units), 5 three-family dwellings (15 units) as well as 57 properties with more than one house on the lot. Such housing is frequently more affordable as it often generates rental income. For example, the median valued two-family home in North Reading, based on Assessor’s data, was \$422,500. While high, this price if owner-occupied with one rental unit would be affordable to a purchaser earning approximately \$58,000 based on 80% financing (conservatively assuming rental income of \$1,000 of which 75% or \$750 is likely to be included in mortgage underwriting computations).

This is low in comparison to a condo at the same price that would require an income of about \$95,000 for 80% financing given the additional computation of the condo fee (assuming \$250) and lack of rental income.

Affordability Gaps - Rentals

In regard to rentals, a low-priced market rental of \$1,500 for a two-bedroom unit would require an income of about \$60,000 without consideration for utilities that would boost the required income closer to \$68,000 (assuming \$200 in average utility bills and not paying more than 30% of income on housing costs). The median income earning renter (\$52,917) could afford a rent of only about \$1,123 under the same assumptions.²⁵ As noted earlier, even affordable rents at Edgewood for example have rents far beyond this level. It is consequently not surprising that so many renters are paying far too much for their housing. The upfront costs involved in leases adds additional barriers to affordability.

Cost Burdens

It is also useful to identify numbers of residents living beyond their means based on their housing costs. The U.S. census provides data on how much households spent on housing whether for ownership or rental. Such information is helpful in assessing how many households are overspending on housing, defined as spending more than 30% of their income on housing.

Based on 2015 census estimates, 334 homeowners in North Reading were spending between 30% and 34% of their income on housing and another 729 were spending more than 35% of their income on housing expenses, totaling 1,063 or 23% of all owner households.

In regard to renters, 47 renter households were spending between 30% and 34% of their income on housing and another 230 were allocating 35% or more of their income for housing for a total of 277 renter households or 40% of all renters.

This census data suggests that 1,340 households or one-quarter of all North Reading households were living in housing that was by common definition unaffordable.

HUD provides additional data on housing affordability problems through its CHAS report that identifies cost burdens by household type and whether they are renters or owners, also offering a breakdown of households within specific income categories as summarized in Table 5-15. For example, the first cell indicates that of the 85 elderly renters earning at or below 30% of area income, 40 were spending between 30% and 50% of their income on housing costs with another 25 spending more than half of their income on housing.

590 households or 48% of households earning at or below 80% of area median income were spending more than half of their income on housing costs and thus were experiencing severe cost burdens.

This report, based on 2013 census data for North Reading (the latest report available), indicates that of the 5,260 households included in this analysis, 1,645 or 31% were reported with cost burdens as they were paying more than 30% of their income on housing costs. **Moreover, of these households, 720 or about 14% of all households were spending more than 50% of their income on housing, referred to as being severely cost burdened.**

²⁵ Not spending more than 30% of income on housing costs including an average monthly utility allowance of \$200.

There were 1,230 households, or 23% of all households, who were earning at or below 80% of median income for the Boston area. Of these, 885 households or about 72% were experiencing cost burdens.

It is particularly notable that 760 households earning more than 80% of area median income, or 14% of all households, were also overspending. Consequently, cost burdens are spread along a wide range of incomes, the great majority being homeowners.

Table 5-15: Cost Burdens by Tenure, Income and Type of Household, 2013

Type of Household	Households Earning < 30% AMI/ # with cost burdens **	Households Earning > 30% to <50% AMI/ # with cost burdens**	Households Earning > 50% to < 80% AMI/ # with cost burdens**	Households Earning > 80% and < 100% AMI /# with cost burdens**	Households Earning > 100% AMI/ # with cost burdens**	Total
Elderly Renters	85/40-25	90/40-50	15/0-0	0/0-0	15/0-0	205/80-75
Small Family Renters	40/0-40	90/65-15	15/15-0	10/10-0	115/0-0	270/90-55
Large Family Renters	0/0-0	0/0-0	15/0-0	0/0-0	0/0-0	15/0-0
Other Renters	30/0-15	15/0-15	45/15-15	40/40-0	100/0-0	230/55-45
Total Renters	155/40-80	195/105-80	90/30-15	50/50-0	230/0-0	720/225-175
Elderly Owners	230/40-190	140/40-40	160/15-0	115/15-15	470/35-0	1,115/145-245
Small Family Owners	40/0-40	15/0-0	55/15-15	105/95-0	2,210/250-85	2,335/360-140
Large Family Owners	10/0-10	0/0-0	45/0-45	50/25-0	545/70-15	650/95-70
Other Owners	70/0-60	0/0-0	25/10-15	60/30-0	285/60-15	440/100-90
Total Owners	350/40-300	155/40-40	285/40-75	330/165-15	3,420/415-115	4,540/700-545
Total	505/80-380	350/145-120	375/70-90	380/215-15	3,650/415-115	5,260/925-720

Source: U.S. Department of Housing and Urban Development (HUD), SO200/75-35CDS CHAS Data, and American Community Survey, 2013. **First number is total number of households in each category/second is the number of households paying between 30% and 50% of their income on housing (with cost burdens) – and third number includes those that are paying more than half of their income on housing expenses (with severe cost burdens). Small families have four (4) or fewer family members while larger families include five (5) or more members. Elderly are 62 years of age or older. “Other” renters or owners are non-elderly and non-family households.

More specific findings from this report include the following:

Renters

- There were 720 renters included in this report of whom 440 or 61% had incomes at or below 80% of area median income (AMI) for the Boston area as defined by HUD.²⁶ Of these, 400 or 56% were spending too much on their housing including 175 or 44% with severe cost burdens. Only 40 renter households in this income range were not overspending and were likely living in subsidized housing such as the 40 units at Peabody Court. However, given 202 actual affordable rentals in the SHI, it appears that many living in such housing were also overspending.
- Of the 205 elderly renters 62 years of age or older, 95 or 46% were overspending including 75 or 37% spending at least half of their income on housing costs. A total of 85 or 41% had incomes at or below 30% of median with 65 who were overspending and should be targets for additional subsidized housing.

²⁶ The 720 total renter household figure in this analysis is somewhat more than the total number of occupied rental units included in the 2015 census estimates of 691 but less than the 2010 count of 831 units that is likely more reliable given the significant increase in rental units between 2000 and 2010 through the Edgewood Apartment development and little documentation for such a decrease in rentals after that.

- There are only 15 seniors earning above 80% AMI who were renting, none with cost burdens.
- Of the 145 small families with incomes equal to or less than 80% AMI, almost all were experiencing cost burdens, 75 or more than half with severe cost burdens.
- *There were only 15 large families (5 members or more) that were renting in North Reading.* This is not altogether surprising as large families are likely to encounter difficulty finding larger units to rent in the community and rents for homes are steep.
- There were also a significant number of non-family and non-elderly households, largely single individuals, who were overspending including 60 of the 90 such households earning at or below 80% AMI.

Owners

- There were 4,540 homeowner households²⁷ identified in this report of which 1,245 or 27% were experiencing cost burdens including 545 or 12% with severe cost burdens.
- Of the 790 or 17% of owners earning at or below 80% AMI, 535 or 68% were overspending and 415 or 52% were spending more than half of their income on housing costs.
- There were also 710 owner household who were earning more than 80% AMI and cost burdened.
- *About one-quarter of North Reading's homeowners are 62 years of age or older.* Of these elderly households, 530 or 48% were earning at or below 80% AMI that included 325 with cost burdens and 230 with severe cost burdens.
- Families also had considerable cost burdens. A total of 70 or 64% of the 110 small families earning at or below 80% AMI were overspending, 55 or half with severe cost burdens.
- There were only 650 large families (five or more household members) who owned their homes, only 55 earning at or below 80% AMI and all 55 with severe cost burdens.
- There were 440 non-family, non-elderly homeowners, mostly single individuals, of which 190 or 43% were experiencing cost burdens. Of these, 95 or almost half were earning at or below 80% AMI with 85 experiencing cost burdens and 75 with severe cost burdens.

Foreclosure Activity

Also related to housing affordability is the issue of foreclosures, which has been a problem for many homeowners across the country since the “bursting of the housing bubble” more than half a decade ago. There has been some foreclosure activity in North Reading with a handful of homeowners losing their homes to date as shown in Table 5-16.

Table 5-16: Foreclosure Activity, 2007 through March 5, 2017

²⁷ This 4,540 figure is not far off from the 4,670 total homeowners included in the 2015 census estimates.

Year	Petitions to Foreclose	Foreclosure Auctions	Total Activity
As of March 5, 2017	3	0	3
2016	13	0	13
2015	12	1	13
2014	3	1	4
2013	1	2	3
2012	8	1	9
2011	0	1	1
2010	0	0	0
2009	0	0	0
2008	0	0	0
2007	0	0	0
Total	40	6	46

Source: The Warren Group, March 5, 2017.

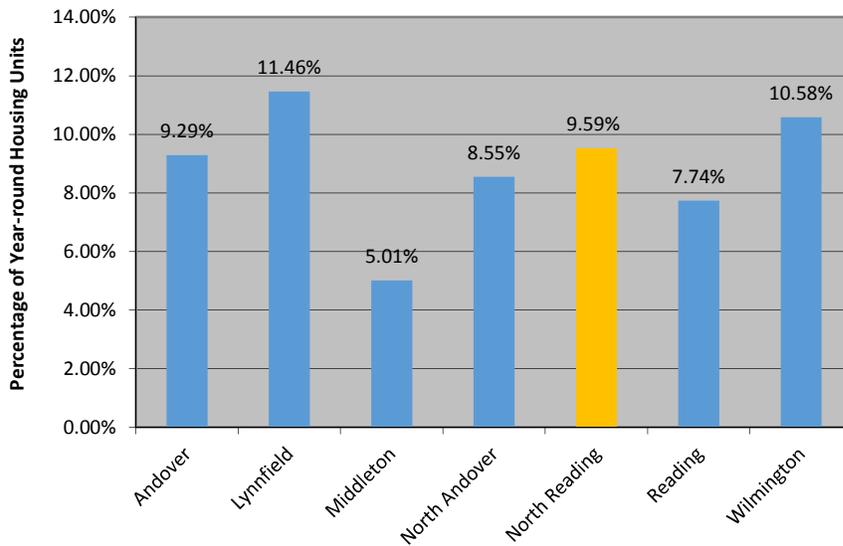
While there were no foreclosures prior to 2009, there have been six foreclosure auctions and 40 petitions since then with the highest level of foreclosure activity in the last couple of years. Front page news from the September 12, 2015 edition of *The Boston Globe* was headlined, “Housing Crash Lingers in Mass” and pointed out that much of the jump in foreclosure activity in recent years, which was also experienced in North Reading, relates to a backlog of cases that have been on hold pending court cases and the need to clarify new regulations.²⁸

5.6 Subsidized Housing Inventory (SHI) – The Town is close to surpassing the state’s 10% affordability goal under Chapter 40B

²⁸ Woolhouse, Megan, *The Boston Globe*, September 12, 2015.

The state listed 537 affordable housing units in North Reading’s state-approved SHI as of March 4, 2017, representing 9.59% of the total year-round housing stock of 5,597 units. Consequently the Town is approaching the state’s 10% affordability goal under Chapter 40B.²⁹ This means that with an additional 23 affordable units, North Reading will be in position to deny what it considers inappropriate Chapter 40B comprehensive permit applications that do not meet local needs without the developer’s very

Figure 5-7: SHI Units for North Reading and Neighboring Communities



limited ability to appeal the decision. It also means that at that point the Town will be in a good negotiating position with developers to insure that new development projects respond to local priorities and preferences if the permitting is not by-right.

It should be noted that the 10% threshold is a moving target as the number of year-round housing units will change over time, next when the 2020 census figures are released. For example, the Town was once at the 11% level. The

Town will continue to lose ground on the 10% goal if market unit development continues to outgain affordable unit creation.

Many communities in the state have been confronting challenges in boosting their relatively limited supply of affordable housing although North Reading and many of its neighbors have made substantial progress as shown in Figure 5-7. Affordable housing production ranges from a low of 5.01% in Middleton to a high of 11.46% in Lynnfield.

Table 5-17 provides a summary of North Reading’s SHI units.

An important component of the Town’s SHI units includes *North Reading Housing Authority (NRHA)* developments that involve a total of 44 subsidized housing units in two developments, one for the elderly and younger disabled at Peabody Court (35 for elderly and 5 for non-elderly people with disabilities) and four units for families at Swan Pond Road. Both of these projects were financed by the state through the Chapter 677 and Chapter 705 Programs, respectively.

²⁹ Chapter 774 of the Acts of 1969 established the Massachusetts Comprehensive Permit Law (Massachusetts General Laws Chapter 40B) to facilitate the development of affordable housing for low- and moderate-income households (defined as any housing subsidized by the federal or state government under any program to assist in the construction of low- or moderate-income housing for those earning less than 80% of median income) by permitting the state to override local zoning and other restrictions in communities where less than 10% of the year-round housing is subsidized for low- and moderate-income households.

Table 5-17: North Reading’s Subsidized Housing Inventory (SHI)

Project Name	# SHI Units	Type of Project	Subsidizing Agency	Use of a Comp Permit	Affordability Expiration Date
Peabody Court*	40	Rental/Elderly and younger disabled	DHCD	No	Perpetuity
Swan Pond Road*	4	Rental/ Family	DHCD	No	Perpetuity
Fairview Terrace Estates	3	Ownership	DHCD	Yes	2039
McLaughlin House	8	Rental/Special Needs	FHLBB & HUD	No	2041
DDS Group Homes	48	Rental/Special Needs	DDS	No	NA
Rowe Farm	7	Ownership	MassHousing	Yes	Perpetuity
Central Place	7	Ownership	MassHousing	Yes	2104
Edgewater Place/Pilgrim Road	4	Ownership	MassHousing	Yes	Perpetuity
Mount Vernon	9	Ownership	MassHousing	Yes	Perpetuity
Residences at Martin Brook/ Edgewood Apartments	406	Rental	DHCD	No	2038
Bradford Pond Estates	1	Ownership	DHCD	No	Perpetuity
Total	537	506 rentals/94% 31 Ownership 6%/202 actual affordable rentals		31 or 5.8% used 40B/ All ownership	424 or 80% expiring use units

Source: Massachusetts Department of Housing and Community Development, March 4, 2017

* North Reading Housing Authority units.



Peabody Court

While not included on the SHI, the Housing Authority also owns and manages two condos that they acquired on Main Street and which are rented by Section 8 voucher holders. The units were not included on the SHI given shorter than required 10-year deed restrictions. The acquisition was partially financed by HOME Program funds. There was some subsequent consideration to applying for additional HOME funding to make necessary repairs and restore the units to the SHI. To do this, the Housing Authority would have to prepare and implement an Affirmative Fair Housing and Resident Selection Plan, to be approved by DHCD,

implement the Marketing Plan, conduct a lottery to rank the eligible applicants, and then wait for the units to turnover even though existing tenants qualify.

The number of applicants and average estimated wait times for NRHA units are summarized in Table 5-18. With only 44 units, the Housing Authority has more than 400 applicants on their wait lists including 24 local applicants. **Because local residents get priority consideration, it is rare that the Housing Authority is able to accommodate non-locals. The family units in particular rarely turnover. In fact one family was among the first occupants when the development opened in 1987.**

In addition to prioritizing local applicants, the Housing Authority also places a top priority for local veterans over other local applicants who live or work in the community. They have recently been advised that even non-local veterans will receive priority status over other North Reading applicants which will extend the wait still further for locals. Most of the veterans currently residing in Housing Authority units are older from the Viet Nam era although one served in Desert Storm.

The Housing Authority also administers 22 Section 8 Housing Choice vouchers that provide a subsidy to qualifying households that fills the gap between Fair Market Rents (FMRs established by HUD annually) and a percentage of their income.³⁰ These subsidies are paid directly to participating landlords. Half of the voucher holders have found qualifying units in other communities. This is largely the result of such high market rents in North Reading that are beyond the FMR limits. The Housing Authority indicates that some of their voucher holders work in North Reading but live in Lawrence. **Waits for these vouchers is at least seven years even for those with a local preference.**

Table 5-18: North Reading Housing Authority Applicants and Waits

Development	Type of Unit	# Units	Total # Applicants	# Local Applicants	Estimated Average Waits
Peabody Court	Elderly	35	73	3	6 months to a year for local applicants, rare to get to non-locals
	Non-elderly persons with disabilities	5	160	12	2 Years for local applicants
Swan Pond Road	Two-bedroom for families	2	100	3	Units rarely turnover
	Three-bedroom for families	2	70	6	Units rarely turnover
Total		44	403	24	

Source: North Reading Housing Authority, March 2, 2017

Other information from the Housing Authority regarding housing needs include:

- The Housing Authority has no barrier-free units and a challenging property for often frail residents to navigate. More handicapped accessible housing is needed but it is very difficult to integrate it into existing developments.
- The lack of access is further exacerbated by the Town not having service from The Ride that can significantly help meet the transportation needs of those with disabilities.

³⁰ Fair Market Rents for FY 2017 are as follows for the Boston-Cambridge-Quincy MA-NH metro area: efficiency at a maximum of \$1,084, one-bedroom at \$1,372, two-bedroom at \$1,691, three-bedroom at \$2,116, and four-bedroom at \$2,332.

- The housing needs of younger disabled residents is perhaps the greatest need in town given the number of applicants.
- Peabody Court does not include supportive services for tenants, although the infusion of this support would be very helpful in addressing the needs of residents.
- Affordable units directed to more moderate-income households are also needed to provide more opportunities for older residents looking to downsize. Mixed-income housing with several income tiers should be considered in future planning.
- State funding to support the capital needs of the developments has improved but it remains a challenge to properly maintain the buildings. For example, funding supports only a part-time maintenance position. NRHA receives approximately \$44,000 by formula annually through state Capital Plan funding. While limited, this funding has supported the replacement of all the roofs at Peabody Court, improvements to the parking lot, and improvements to stairs and new fences that are important for accessibility and making the place look more inviting. The roofs at Swan Pond Road will be replaced next year. The Housing Authority also received some extra funding this year of \$200 per unit that will allow it to make some important improvements to landscaping at Peabody Court that will further improve the appearance of the property and boost resident morale.
- **While 102 units at Edgewood Apartments are defined as affordable under the state's Local Initiative Program (LIP), the rents, which are based on 30% of the 80% of area median income level based on state Local Initiative Program (LIP) and Chapter 40R guidelines, are still considered by many to be too high.** For example, the rent for a two-bedroom unit would be \$1,644 minus a prescribed utility allowance and \$1,826 minus a utility allowance for a three-bedroom unit based on 2016 HUD income limits. The Housing Authority in fact has a tenant who drew down all of her savings at Edgewood and is now living at Peabody Court.

Of the total 537 SHI units, 61 are directed to those with special needs. In addition to the five units set-aside for non-elderly persons with disabilities at Peabody Court (13.5% of all units required), North Reading has an additional 56 special needs units through the following group facilities:

- *McLaughlin House*
This development includes eight one-bedroom affordable housing units that was developed with financing from the HOME Program and federal Section 811 Supportive Housing for Special Needs Program.
- *DDS Group Homes*
There are 48 units in group homes for those with developmental disabilities sponsored by the Massachusetts Department of Developmental Services (DDS).



Edgewood Apartments

By far the greatest number of SHI units are part of the 406-unit Edgewood Apartments project on Lowell Road. This project was developed by Lincoln Properties as part of a Chapter 40R Smart Growth Overlay District. While 102 units are actually affordable, all 406 units count as part of the SHI given state guidelines.

Thirty of the town's 31 affordable ownership units were developed through the Chapter 40B comprehensive permit process. With the exception of Central Place with seven units and Fairview Terrace Estates with three

units, all of the other units in these developments are affordable in perpetuity.

Proposed or Potential Projects

There are no specific projects that include affordable units in the development pipeline but the Town is in the process of identifying municipally-owned property that might be suitable for affordable housing and also exploring development opportunities along Route 28/Main Street. It contracted with the Metropolitan Area Planning Council (MAPC) to prepare a Short-term (2016-2021) Economic Development Strategy that would help the community attract jobs, services, revenues and housing along about three-quarters of a mile of this commercial corridor. This Study identified a number of conditions around a cluster of underutilized structures at or near the intersection of Routes 62 and 28. The development potential of this area is currently constrained by environmental constraints and a lack of sewer infrastructure however.

In pursuit of the Study's recommendations, the Town is planning to issue a Request for Proposals (RFP) for a conceptual plan and implementation study for the redevelopment of these underutilized properties. The primary focus of this project will be an analysis of how a privately funded and operated wastewater treatment "package plant" could become the catalyst for the full development of these properties.

It should be noted that the Town anticipates receiving significant funds from the sale of the State Hospital site that Pulte Homes will develop as market-rate, age-restricted ownership housing. This funding can be invested in other Town initiatives, potentially affordable housing development.

5.7 Targeted Housing Needs

Given the substantial numbers of residents who are paying too much for their housing (see Table 5-15) and growing affordability gaps, there is a pressing need to further diversify the housing stock to provide more housing options including greater affordability. The Town will continue to work with public and

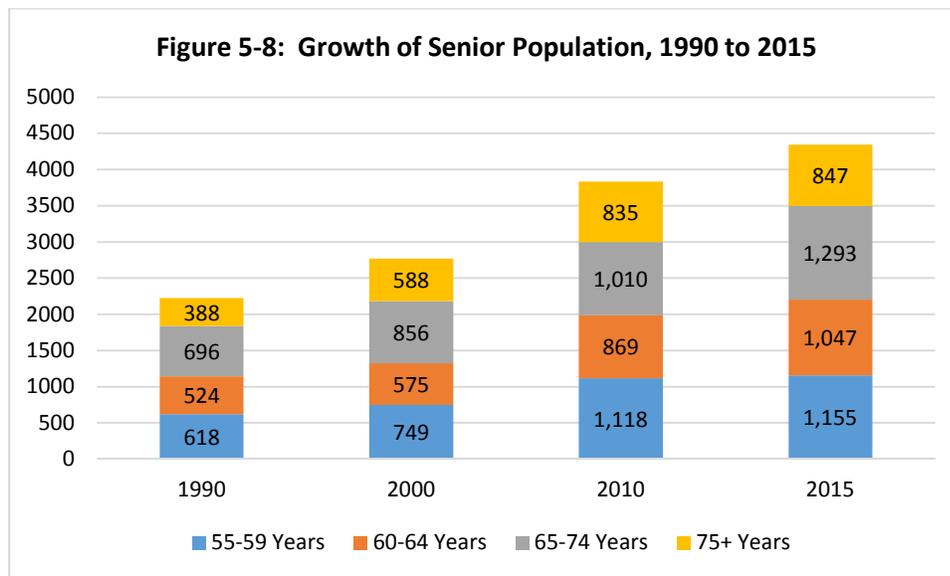
private sector stakeholders to devise and implement strategies that preserve and produce additional community housing options, directing development to appropriate locations and target populations.

Based on input from a wide variety of sources including census data, market information, interviews with local and regional stakeholders, and community meetings, as well as prior planning efforts, this Housing Production Plan identifies the following **indicators of housing needs** in the North Reading community, looking at important subpopulations of its residents. These indicators of need are followed by a more quantitative analysis of unmet housing needs in Tables 5-18 and 5-19.

Housing Needs of Seniors

Housing needs of seniors are growing as this population continues to become a larger segment of North Reading’s population and cost burdens remain significant. Clearly housing alternatives to accommodate this increasing population – such as more handicapped accessibility, housing with supportive services, greater connections to the community, and smaller units without substantial maintenance demands – must be integrated into housing planning and development efforts.

- *Recent population growth:* As shown in Figure 5-8, the number of those 55 years of age and older increased considerably since 1990, from 2,226 residents in 1990 to 4,342 by 2015, almost doubling in number while the total population increased by only 28%. Those 60 years and over also almost doubled and comprised about 21% of the population by 2015, from 13% in 1990. Seniors 65 years and older increased from 1,084 residents in 1990 to 2,140 in 2015, representing a 97% increase to 14% of all residents.



- *Increasing numbers of households with seniors:* Households with one or more persons age 65 or older increased from 964 in 2000 to 1,510 by 2015, or from 20% to 28% of all households.
- *High projected growth:* Population projections indicate that the population of those 65 years of age or older will double between 2010 and 2030, increasing by 97% and 99% under the Metropolitan Area Planning Council (MAPC) “Status Quo” and “Stronger Region” assumptions, respectively, (see Section 3.2 for details) and the State Data Center at UMass’ Donahue Institute projects a 113% increase.

- *Growth in those living alone:* Single-person households, who were headed by someone 65 years of age or older, increased by 44% between 2000 and 2010, and then were estimated to increase still further to 477 such households or 8.9% of all households by 2015.
- *Projected growth in households headed by seniors:* Households that include someone age 65 or older were estimated to increase from 2,142 to 3,022 or by 89% between 2010 and 2030 according to MAPC “Stronger Region” projections (see Section 3.2 for details).
- *A significant segment of older adults were living on very limited incomes:* Thirty percent of those 65 years of age or older were earning less than \$35,000 and 18.6% (235 households) were earning less than \$25,000.

Seniors relying primarily on Social Security are likely to have monthly incomes that fall below market rent levels as well as rents targeted to households earning at 80% AMI. Deeper subsidies are required for these households.

- *Significant challenges for many relying on Social Security Income.* Many seniors living on fixed incomes and relying substantially on Social Security find that their income may not be sufficient to afford their current housing and other expenses, particularly when they lose their spouse. For example, the average Social Security Disability benefit was \$1,171, significantly lower than the rent for a one-bedroom apartment at Edgewood of \$1,461 in 2016 minus a prescribed utility allowance for those expenses that are the responsibility of the tenant. Even the average retirement income of residents in North Reading of \$28,163, or \$2,347 per month, would be constrained by high housing costs.

- *Poverty decreasing but still an issue:* While poverty among those 65 years of age or older has been decreasing, there remains 135 such residents who were living below the poverty line in 2015.
- *Wide affordability gaps:* The median income earning senior with \$59,739 in annual earnings could afford a single-family home of about \$256,000. The difference between this price and the median single-family house price as of the end of 2016 is \$252,950, a considerable affordability gap. The gap for condos is about \$10,000, the difference between the median condo price of \$229,000 and what a median income earning senior can afford of about \$219,000.³¹
- *High cost burdens for renters:* Of the 205 elderly renters 62 years of age or older, 95 or 46% were overspending including 75 or 37% spending at least half of their income on housing costs. A total of 85 or 41% had incomes at or below 30% of median with 65 who were overspending and should be targets for additional subsidized housing.

³¹ Figures based on 95% financing, interest of 5.0%, 30-year term, annual property tax rate of \$16.41 per thousand, \$250 monthly condo fee, insurance costs of \$4 per \$1,000 for condominiums, and the purchaser spending no more than 30% of gross income on mortgage (principal and interest), taxes and insurance. It is also assumes that the purchaser would be eligible for a subsidized mortgage program such as the ONE Mortgage Program on a MassHousing mortgage that would not require private mortgage insurance.

- *High cost burdens for homeowners:* About one-quarter of North Reading’s homeowners were 62 years of age or older. Of these elderly households, 530 or 48% were earning at or below 80% AMI that included 325 with cost burdens and 230 with severe cost burdens.
- *Significant special needs:* Almost one-quarter of all seniors claimed some type of disability. These special needs will also likely increase with the significant projected increases of those 65 years of age or older.
- *Long waits for subsidized housing:* The North Reading Housing Authority has a waitlist of 73 elderly applicants for senior housing at Peabody Court that includes three local applicants with waits between six months to a year for local applicants. Due to local and veteran priorities, non-local, non-veteran applicants are rarely offered a unit.
- *Limited housing choices:* While most seniors want to stay in the community, the Town is losing some to nearby communities given limited opportunities to downsize that are relatively affordable. Edgewood Apartments and the development of the Old State Hospital site as age-restricted housing provide more housing options, however housing costs are high in both developments.
- *Importance of staying in the community:* Research has shown that older adults benefit from remaining in the community where they have spent a good part of their life as those with strong connections to family and friends live longer and better. While some choose to move into new housing that is tailored to the needs of seniors, others decide to “age in place” because it may be both more affordable and “home”.³²

It is important to note that seniors represent a very diverse group of residents with varying needs and expectations regarding their futures based on age, health,

It will be a challenge for the Town of North Reading to provide an “age-ready” community that fully meets the increasing needs of older adults but redevelopment prospects at the junction of Routes 28 and 62, the development of other more accommodating housing types for seniors, support for home modifications, and efforts to foster better connections within the North Reading can offer new and vital ways to help keep elders healthy, engaged and connected to the community.

income, community connection, among other issues. Nevertheless, as a common denominator, perhaps “community” matters even more as people age as “where we live shapes the contours of our daily experience, determining our access to the things we want and need in our lives” as stated in a paper by Joseph Coughlin at MIT’s AgeLab.³³

Mr. Coughlin further suggests that, “the sheer size of the next retiree cohort will certainly drive sales in ‘active aging developments’ and senior housing options, but it is unclear as to whether today’s 50-plus communities or senior housing options will tap the full market potential of the largest generation ever to retire. This cohort will expect homes that are convenient, yet able to provide homecare across their lifespans; communities that are accessible and supportive, yet stimulating and engaging; and activities and

³² Time, “Where Will All the Old Folks Live?,” February 27-March 6, 2017.

³³ Coughlin, Joseph F., “Designing Tomorrow’s Ageless Community”, MIT AgeLab.

services that provide what is needed, as well as experiences that can excite and delight.”

The community should look to investing in the future of its older residents who invested in North Reading over many years, including important funding support for local schools.

Housing Needs of Families

There are many low- and moderate-income households in North Reading that are struggling to pay their bills, housing expenses chief among them. With rising housing prices, this situation will worsen. Moreover, given an impending crisis, a family may become at risk of homelessness, some forced to double-up with friends or family and/or live in substandard conditions while waiting for subsidized housing or a Section 8 Housing Choice Voucher. Some may be forced to leave the community altogether in search of more affordable living conditions.

- *Declines in family households:* Family households decreased from 80.6% of all households in 1990 to 73.6% in 2010 and then were estimated to increase somewhat to 75.9% by 2015. It may be that the cost of living in North Reading, including housing costs, has driven some families away from the community.
- *High cost burdens for renters:* Of the 145 small families with incomes equal to or less than 80% AMI, almost all were experiencing cost burdens including 75 or more than half with severe cost burdens.

There were only 15 large families (5 members or more) that were renting in North Reading. This is not altogether surprising as large families are likely to encounter difficulty finding larger units to rent in the community and rents for homes are steep.

- *High cost burdens for owners:* Of the 2,335 small families (four or fewer household members) who owned homes, 500 or 21% were overspending on their housing including 140 with severe cost burdens. A total of 70 or 64% of the 110 small families earning at or below 80% AMI were overspending, 55 or half with severe cost burdens.

There were only 650 large families (five or more household members) who owned homes, only 55 earning at or below 80% AMI and all with severe cost burdens.

- *Fewer subsidized housing opportunities and long waits:* The North Reading Housing Authority has only four subsidized housing units available for families and these units rarely turnover. One tenant has been there since the property was first occupied in 1987. Additionally, those families looking for a Section 8 Housing Choice Voucher administered by the Housing Authority have waits of at least seven years if they have local preference as they live or work in North Reading.
- *Female-headed households:* While the numbers of female-headed households in North Reading is relatively low, estimated to have decreased from 196 to 106 such households between 2010 and 2015, these households are typically among the most financially at risk in any community, often requiring support services (job skills, child care, etc.) in addition to affordable housing to become stabilized.

Housing Needs of Single Individuals

There are also considerable numbers of lower income non-elderly, non-family households in North Reading, mostly single individuals, experiencing cost burdens and long waits for subsidized housing that make finding appropriate affordable housing a challenge. Some of these individuals have disabilities that further complicate their housing problems as those with disabilities, many reliant on Social Security, tend to be among the most financially vulnerable residents in a community.

- *More people living alone:* There are increasing numbers of single-person households, growing from 17.9% of all households in 2000 to 18.9% by 2015 or from 858 to 1015 residents.
- *High cost burdens for renters:* Sixty of the 90 such households earning at or below 80% AMI were spending too much on their housing including 45 or half with severe cost burdens.
- *High cost burdens for owners:* A total of 190 or 43% of the 440 non-family, non-elderly homeowners were experiencing cost burdens. Of these, 95 or almost half were earning at or below 80% AMI with 85 experiencing cost burdens and 75 with severe cost burdens.
- *Long waits for subsidized housing:* The Housing Authority sets aside five units for those who are younger than 60 and disabled. Of the 160 such applicants on the waitlist, 12 are local applicants with waits of at least two years.
- *Lower incomes:* Those with disabilities tend to experience the greatest difficulty in finding housing that is both affordable and accessible.

Housing Needs of Veterans

There are 632 veterans who are residents of North Reading, representing 5.3% of the population. Of these, 64% are 65 years of age or older. Given their service, these residents deserve particular attention to insure their easy integration into the community.

- The median income of veterans is \$49,432, significantly less than the median household income of \$123,103 based on 2015 census estimates. This means that the median income earning veteran household could afford a home of approximately \$212,000 at most with an affordability gap of almost \$300,000.
- About 29% of veterans have a bachelor's degree or higher as opposed to 51% of all residents, correlated to lower on average income earnings.
- Almost 25% of all veterans had some type of disability, about three times the level of disability claimed by the total population. The Town's Veterans Services Office encounters even higher levels of vets with disabilities in connection with those that they provide assistance.
- The Housing Authority places a top priority for local veterans over other local applicants who live or work in the community. They have recently been advised that even non-local veterans will receive priority status over other North Reading applicants which will extend access to veterans in the area to subsidized housing. Most of the veterans currently residing in Housing Authority units are older from the Viet Nam era although one served in Desert Storm.
- The lack of starter housing in North Reading is a significant barrier to younger veterans who want to settle in town to start their own families.

- Few housing options also affect older veterans who could greatly benefit from housing that has some available services and handicapped accessibility.

Rental housing is the most significant need

Both rental and ownership housing are needed to encourage a mix of housing types in response to diverse populations and household needs. There is, however, a more compelling case for rental units based on the following important considerations:

- Target the needs of the community’s most vulnerable residents with very limited financial means as rental housing is typically more affordable and requires less up-front cash.
- Continue to promote greater housing diversity as more housing options are necessary to meet the needs of local workers who are priced out of the housing market, people who grew up in North Reading and want to raise their own families locally, and empty nesters, for example.
- Invest local resources in support of greater numbers of households/occupants over time as rentals turnover more regularly than ownership units.
- Provide more appropriately sized units for increasing numbers of small households.
- Provide opportunities for some seniors who are “overhoused” and spending far too much on their housing to relocate to more affordable and less isolated settings, opening up their homes to families requiring more space.
- Leverage other funds, as state and federal resources are almost exclusively directed to rental housing development, family rentals in particular.
- Enhance the ability to qualify occupants for housing subsidies as state requirements for including units on the SHI make it very difficult for long-term homeowners to be eligible for affordable housing.
- Provide opportunities for mixed-income housing where several different income tiers can be accommodated within the same project.

Indicators of Need

The following issues related to limited income, high cost burdens, low vacancy rates, etc. suggest a pressing need for more affordable rental housing:

- *Limited incomes:* Based on 2015 census estimates, 615 households or 11.4% of all households earned less than \$35,000 including 228 renter households. These households can afford no more than about \$675 per month, including utility costs, making it extremely difficult if not impossible to find market rentals without spending too much on housing.
- *High cost burdens:* North Reading’s renters are in fact spending too much for their housing with about 80% of all the 400 renter households earning at or below 80% AMI overspending including 175 or 44% who were spending more than 50% of their income on housing costs (with severe cost burdens).
- *High rents:* The 2015 estimated gross median rent of \$1,482 (that included 202 actually affordable SHI units or 38% of all rental units) would require an income of \$67,280 assuming \$200 per month in utility bills and housing expenses of no more than 30% of the household’s income. Market rents are higher and tend to be beyond the reach of lower wage earners.

- *High up-front cash requirements:* Many apartments require first and last month's rent plus a security deposit. For a \$1,500 apartment, that totals as much as \$4,500, an amount that many prospective tenants do not have available to them.
- *Low vacancy rates:* The 2015 census estimates suggest a zero percent vacancy rate for rental units in North Reading although vacancies at Edgewood average about 4% however.
- *Deficit of affordable rents:* Calculations in Table 5-18 estimate that there is a shortage of 400 rental units based on the numbers of those who are spending too much for their housing.

New ownership opportunities are also in need

Efforts to provide starter homes for first-time homebuyers and better housing alternatives to empty nesters should be promoted to address several objectives including:

- Provide opportunities for families who want to invest in North Reading but are shut-out of the current housing market.
- Lend additional stability to neighborhoods as homeowners tend to become more rooted and invested in the community.
- Enable children who were raised in North Reading to return to raise their own families locally.
- Provide housing options for municipal employees and others who work in the community.
- Provide smaller homes for increasingly smaller families.
- Offer more affordable housing alternatives to empty nesters who want to downsize, thus opening their existing homes to families.

Small clustered cottage-style housing in pocket neighborhoods could be pursued as well as other infill development, mixed-uses that include mixed-income condo development, the redevelopment/reuse of previously nonresidential properties, and the integration of housing in nonresidential areas offer good options for increasing affordable homeownership opportunities in North Reading.

Indicators of Need

The rising cost of housing is shutting increasing numbers of residents out of the private housing market, particularly the ownership market. For example, the median single-family house price increased from \$472,700 as of the end of 2015 to \$508,950 as of the end of 2016, with condo prices also increasing from \$210,000 to \$229,000 during this period. High upfront costs also challenge first-time purchasers. More affordable options are necessary that can support a range of incomes based on the indicators of need below.

- *Few subsidized ownership units:* Only 31 units or 6% of the Town's SHI units involve ownership.
- *Potential pool of qualified first-time homebuyers:* An estimated one-third of all renter households earned enough to potentially qualify for subsidized first-time homebuyer opportunities if they become available.
- *High affordability gaps for single-family homes:* There is very little affordability remaining in North Reading's housing market and even what could be considered a "starter home" of \$358,000 requires an income of about \$88,290. There are only about 600 single-family homes

available to those earning at or below this income level. For those earning at 80% of area median income limit (\$65,750 for a family of three), the affordability gap is \$272,950, the difference between the maximum they could afford of approximately \$236,000 and the median single-family house price of \$508,950. This suggests a need for subsidies to promote affordability and reduce excessive cost burdens.

Because of the relative affordability of condos, they could become targets of efforts to convert existing housing to long-term affordability.

- *Condos are much more affordable:* There are no affordability gaps for condos as the median condo price of \$229,000, as of the end of 2016 from The Warren Group’s Banker & Tradesman, would require an income of about \$72,300, which is well below North Reading’s median household income of \$123,103. A median income-earning household could

likely afford a condo for about \$471,500 more than double the median condo price of \$229,000.³⁴ Most of the more affordable condos are located in older buildings however, with newer units priced above \$400,000.

The affordability gap for those households earning at the 80% AMI (\$65,750 for a household of three) increases to an estimated \$24,000 or the difference between the median condo price (\$229,000) and what a household earning at \$65,750 could probably afford (\$205,000). Nevertheless, while condos present a more affordable alternative for new homeownership, obtaining financing since the recession has become challenging for condominiums in particular and monthly fees raise housing expenses, limiting the amount that can be borrowed.

- *Maintain population diversity and attract young families:* Younger adults in the family formation stage of their lives, the 25 to 34-age category, have decreased significantly, dropping to 8.9% of the population in 2010 from 17.3% in 1990. The 2015 census estimates suggest some resurgence of this age group to 1,694 residents or 11% of all residents, still well below earlier levels. Without equity from another house or subsidized starter homes, many young families are virtually shut out of the homeownership market.
- *Financing challenges:* Without a subsidized mortgage, households have to come up with a substantial amount of cash, now more typically a down payment of 20%, thus blocking many who seek to own a home. Credit problems also pose substantial barriers to homeownership. Prior generations have had the advantage of GI loans and other favorable mortgage lending options with reasonable down payments. Also, in prior years the median home price to income ratio was much lower than it is today, making homeownership more accessible. Given current economic conditions, the ability to obtain financing is more challenging for today’s first-time homebuyers without subsidized ownership. State-supported mortgage programs, such as the ONE Mortgage Program or MassHousing offerings, can offer important financial assistance to first-time purchasers.

³⁴ Figures based on 95% financing, interest of 5.0%, 30-year term, annual property tax rate of \$16.41 per thousand, \$250 monthly condo fee, insurance costs of \$4 per \$1,000 for condominiums, and the purchaser spending no more than 30% of gross income on mortgage (principal and interest), taxes and insurance. It is also assumes that the purchaser would be eligible for a subsidized mortgage program such as the ONE Mortgage Program on a MassHousing mortgage that would not require private mortgage insurance.

- *Extremely low vacancy rates:* The 2015 vacancy rate for homeownership units was 1.3%, reflecting extremely tight market conditions.
- *High cost burdens:* There remains a need for more affordable homeownership opportunities in North Reading as of the 790 owner households who were estimated to have earned at or below 80% AMI, only 255 units might be affordable to them, resulting in a deficit of 435 affordable ownership units in this income range. While the Town should focus on those more financially vulnerable residents earning below 80% AMI, it is worth noting that when looking at cost burdens (spending more than 30% of income on housing) there are deficits in the higher income categories as well that suggest a need to consider integrating some higher income ranges into new development including of 100% or 120% AMI for example.

It should be noted that it is difficult for existing homeowners to qualify for new affordable housing opportunities as there are limits on financial assets and current ownership. Nevertheless, there are still opportunities to assist low- and moderate-income owners as discussed in Section 8.

Integrate handicapped accessibility and supportive services into new development

Handicapped accessibility and supportive services (such as those offered by the Council on Aging or through assisted living options as well as transportation and home maintenance programs) should be integrated into new housing production efforts.

Indicators of Need:

- *Significant local population with disabilities:* Of all North Reading residents in 2015, 1,135 or 7.4% claimed a disability, representing significant special needs within the North Reading community.
- *Long waits for subsidized units reserved for the disabled:* As noted earlier, there are 160 applicants on the waitlist for only five North Reading Housing Authority units that are reserved for people with disabilities and are younger than age 60. Twelve of these applicants live or work in North Reading.
- *Lack of barrier-free units:* The North Reading Housing Authority has no handicapped-accessible units and sloping site conditions present substantial challenges for existing elderly and disabled residents to move about the property.
- *Growing senior population:* As the number of seniors continues to increase with the aging of the baby boomers, growing numbers of residents will need better access to housing that includes on-site supportive services and/or handicapped accessibility.

Table 5-19 provides a summary of unmet housing needs according to income level and type of household, looking at households that are paying too much of their income on housing costs. Proportionately, analyzing those with cost burdens, there is a relatively higher need for rentals than homeownership units with the unmet need at 56% of all rental units and 27% for homeownership. When focusing on those earning at or below 80% AMI, the unmet housing numbers change to 80% and 68% of all rental and ownership units in this income range, respectively.

Table 5-19 also provides numbers on the unmet housing needs of seniors, families and non-elderly single individuals earning at or below 80% AMI. Of all renter households with cost burdens within this income range, 45% were seniors, 17% were non-elderly individuals, and 38% were families. In the case of homeownership, 61% were seniors, 24% were single non-elderly individuals and 23% were families. Clearly there were greater proportions of seniors with cost burdens which is correlated with retirement and living on fixed incomes.

Table 5-19: Unmet Housing Needs

Population in Need	All Units	Housing Available That is Affordable	Unmet Need* (Spending > 50% of income)
Rentals			
Extremely Low Income (Within 30% AMI)	155	35	120 (80)
Very Low Income (30% to 50% AMI)	195	10	185 (80)
Low to Moderate Income (50% to 80% AMI)	90	45	45 (15)
<i>Subtotal</i>	<i>440</i>	<i>90</i>	<i>350 (175)</i>
80% to 100% AMI	50	0	50 (0)
Above 100% AMI	230	230	0 (0)
<i>Subtotal</i>	<i>280</i>	<i>230</i>	<i>50 (0)</i>
Total	720	320	400 (175)
Homeownership			
Extremely Low Income (Within 30% AMI)	350	10	340 (300)
Very Low Income (30% to 50% AMI)	155	75	80 (40)
Low to Moderate Income (50% to 80% AMI)	285	170	115 (75)
<i>Subtotal</i>	<i>790</i>	<i>255</i>	<i>535 (415)</i>
80% to 100% AMI	330	150	180 (15)
Above 100% AMI	3,420	2,890	530 (115)
<i>Subtotal</i>	<i>3,750</i>	<i>3,040</i>	<i>710 (130)</i>
Total	4,540	3,295	1,245 (545)
TOTAL (Rental & Ownership)			
	5,260	3,327	1,645 (720)
Target Population in Need	All Units Occupied By Those Earning < 80% AMI	Housing Available That is Affordable to Those Earning < 80% AMI	All Those with Cost Burdens/Units Occupied by Those Earning < 80% AMI
Seniors (62 and over)	190 Renters 530 Owners	35 Renters 205 Owners	155 Renters 325 Owners
Families	160 Renters 155 Owners	30 Renters 30 Owners	130 Renters 125 Owners
Non-elderly Individuals	90 Renters 95 Owners	30 Renters 10 Owners	60 Renters 85 Owners

TOTAL	440 Renters 780 Owners	95 Renters 245 Owners	345 Renters 535 Owners
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Source: U.S. Department of Housing and Urban Development (HUD), SOCDs CHAS Data, 2013.

*Includes all those spending too much on their housing per Table 5-15.

Table 5-20 presents targeted affordable housing development goals based on a distribution of housing needs over the next five years and annual Housing Production goals of 28 units per year or 140 over five years per state guidelines. **A combination of information on demographic shifts, cost burdens, affordability gaps, and the community’s housing mix suggest the following targeted housing needs:**

- Rental development goal of 80% of all new units created.
- Goal of 140 affordable units over the next five years.
- About half of units produced directed to seniors or single individuals (many with special needs) through one-bedroom units, 40% for small families with two bedrooms, and 10% of units for larger families with three bedrooms (required by state for units that are not age-restricted or for single person occupancy.)
- A minimum of 20% of one-bedroom units with handicapped accessibility and/or supportive services and at 10% for other units created. Where feasible, 100% handicapped accessibility or adaptability should be promoted in housing for seniors and those with disabilities.

Table 5-20: Summary of Targeted Production Goals³⁵

Type of Housing	Seniors + Single Persons/ One Bedroom Units @ 50%	Small Families/ 2 Bedrooms @ 40%	Large Families/3+ Bedrooms @ 10%	Total/5-Year Goals
Rental @ 80%	56	45	11	112
Ownership @ 20%	14	11	3	28
Total	70	56	14	140
Special Needs* (a % of total units)	(14)	(6)	(2)	(22)

Source: 2013 HUD SOCDs CHAS and Karen Sunnarborg Consulting

* Represents 10% of all units created in family housing and 20% in senior and single-person housing. For example, of the total 70 projected total one-bedroom units produced, largely directed to seniors or those with disabilities, 20% or a goal of at least 14 would involve handicapped accessibility and/or supportive services.

There is a need to provide support to all these types of households along a wide range of incomes. Everyone should have a right to safe and affordable housing which is so fundamental to stabilizing both individuals and families who may be living in substandard conditions and/or spending far too much for their housing. The whole community benefits when all residents have a decent and affordable place to call home.

³⁵ Focuses on units created for those earning at or below 80% AMI but many of the rentals will be directed to those earning at or below 60% AMI and additional income tiers can be created for those earning more than 80% AMI but still priced out of the housing market, including market units.

(The following sections will be drafted following the first community meeting when we will have input into key goals and strategies.)

- 6. CHALLENGES TO PRODUCING AFFORDABLE HOUSING**
- 7. HOUSING PRODUCTION GOALS**
- 8. HOUSING STRATEGIES**

APPENDIX 1

Local and Regional Housing Organizations/Resources

North Reading is fortunate to have a number of important resources including local government entities, local non-profit organizations, and regional agencies that have made substantial contributions to the promotion of community housing in North Reading or have the resources to potentially contribute in the future. These organizations are briefly summarized below.

Local Entities

North Reading Community Planning Commission

The Community Planning Commission (CPC) is the Town's official planning entity established under Chapter 41 of Massachusetts General Laws (Subdivision Control Law). The CPC is the sponsor of this Housing Production Plan.

Contact: Danielle McKnight, Town Planner and Community Planning Administrator, 978-357-5250

<http://www.northreadingma.gov/community-planning-commission>

North Reading Housing Authority

The North Reading Housing Authority was established under Chapter 121B of Massachusetts General Laws as a public housing authority to provide safe, decent and affordable housing to low- and moderate-income households. The Housing Authority owns and manages 44 subsidized housing units in two developments, one for the elderly and younger disabled at Peabody Court (35 for elderly and 5 for non-elderly people with disabilities) and four units for families at Swan Pond Road. Both of these projects were financed by the state through the Chapter 677 and Chapter 705 Programs, respectively. They also own two condominiums that they rent to qualifying tenants and manage 22 Section 8 Housing Choice Vouchers.

Contact: 978-664-3599

<http://www.northreadingha.org/>

North Reading Elder Services

The Town's Elder Services, also referred to as the Council on Aging, provides advocacy and supportive services and programs for older residents with information and referrals concerning issues of elderly health, housing, health insurance, in-home assistance, and legal matters related to property and taxes. The organization creates opportunities for socialization through programmed activities as well as transportation. It is also available to meet with seniors and their families concerning social and health care needs. Most of its services and activities are available at the Edith A. O'Leary Senior Center.

Contact: 781-786-6280

<http://www.northreadingma.gov/elder-services>

Friends of the North Reading Council on Aging

The Friends of North Reading Council on Aging, Inc. is a non-profit organization that was established to provide support to the Edith A. O'Leary Senior Center and the population of older adults it serves. It continues to seek members and donations to supplement existing funding for elder services and programs.

Contact: 978-664-5600

<http://www.northreadingma.gov/elder-services>

North Reading Veterans Services

North Reading Veterans Services is the Town department that provides advocacy, outreach and education to veterans and their families to insure that they receive the benefits and services that they are owed given their service to the country.

Contact: 978-357-5212

<http://www.northreadingma.gov/veterans-services>

Advocates for Adults and Community Team (ACT)

ACT represents a team of people who want to live in North Reading for the long term and help others do so as well by creating important social connections. Largely supported by local volunteers, the organization strives to fulfill the following goals:

- Advocate for a new community-friendly “downtown” area.
- Advocate for a new intergenerational community center.
- Advocate for attractive and affordable “empty nester” housing.
- Provide services and support for the adults who need it so they can stay in their homes and community as long as possible including transportation and daily contact.
- Create a social calendar that will allow members to have fun and interact on an adult level for our ACT membership including formals, recreation, exercise, trips, and lifelong learning.

Contact: 978-807-3961

Regional Entities

Metro North Regional Housing Services Office (MNRHSO)

The Metro North Regional Housing Services Office was established as a collaborative effort among the four communities of Reading, Wilmington, Saugus and North Reading to provide assistance in planning, permitting, monitoring, maintaining, and increasing their inventory of affordable housing. Reading serves as the Host Community. This collaboration was developed on the following premises:

- Develop a regional approach for finding common solutions for common challenges, looking at housing through a municipal lens.
- Make efficient use of resources, both leveraging knowledgeable staff and providing shared access to affordable housing opportunities for residents.
- Proactively monitor the community’s Subsidized Housing Inventory to ensure the preservation of the units.

Each participating community pays an annual membership fee to the Town of Reading to cover the Office’s expenses and pays an additional amount in support of the services provided.

Contact: 781-942-9667

Website: www.readingma.gov/metro-north-regional-housing-services-office

Metropolitan Boston Housing Partnership (MBHP)

The Metropolitan Boston Housing Partnership is a non-profit organization that addresses a wide range of housing needs in the Greater Boston area, including North Reading. The organization assists about 20,000 residents annually through its numerous programs and services that include but are not limited to the following:

- Offers information through workshops and reference materials on eviction and foreclosure prevention, tenancy preservation, housing search, relocation assistance, etc. through its Housing Consumer Education Service Center, one of nine such centers in Massachusetts which are funded by DHCD.
- Administers the Housing Choice Voucher Program (Section 8) and other rental voucher programs.
- Provides programs to serve those who are homeless or at risk of homelessness.
- Provides technical assistance and resources to landlords, particularly those with Section 8 tenants.
- Offers training, other technical assistance and referrals to both tenants and landlords on fair housing issues.
- Operates a hoarding and sanitation intervention program to support tenants in obtaining necessary treatment to deal with hoarding issues and to bring their apartments into compliance with health and safety regulations.
- Administers the Money Follows the Person Program that helps individuals transition from long-term care facilities to community-based residences of their choice.

Contact: 617-859-0400

<http://mbhp.org/>

Metropolitan Area Planning Council (MAPC)

The Metropolitan Area Planning Council (MAPC) is North Reading's regional planning agency serving 101 communities in the Greater Boston area. Guided by its regional plan, "*MetroFuture: Making a Greater Boston Region*", the agency works with participating communities towards "sound municipal management, sustainable land use planning, protection of natural resources, efficient and affordable transportation, a diverse housing stock, public safety, economic development, an informed public, and equity and opportunity among people of all backgrounds". In 2016 MAPC prepared a Short-term (2016-2021) Economic Development Strategy of the redevelopment potential of Route 28 that would help the community attract jobs, services, revenues and housing.

Contact: 617-451-2770

www.mapc.org

Habitat for Humanity of Greater Boston

Habitat for Humanity is an ecumenical, non-profit Christian ministry dedicated to building simple, decent homes in partnership with families in need. The organization has grown over the past two decades into one of the largest private homebuilders in the world with almost 1,600 U.S. affiliates and over 2,000 affiliates worldwide, including one in the Greater Boston area that builds new homes for first-time homebuyers through donated land, materials, labor and funding as well as other special financing strategies.

Contact: 617-423-2223

<http://www.habitatboston.org/>

Mystic Valley Elder Services

Mystic Valley Elder Services is a non-profit agency which partners with elders, adults living with disabilities and caregivers in a number of communities including North Reading. As the Area Agency on Aging (AAA) the organization connects these groups to services that support the health, wellbeing, and independence of older adults. The agency also provides care management, service coordination, and information and referrals to appropriate health care and home care providers. It also provides seniors

and those with disabilities with important opportunities to engage with their community, including options for volunteering. Contact; 781-324-7705 <http://www.mves.org/>

South Middlesex Opportunity Council (SMOC)

South Middlesex Opportunity Council, Inc. (SMOC) is a private, non-profit organization that also provides services to the greater Metro West and Blackstone Valley areas. The corporation's goal has been to improve the quality of life for low-income people by working with the communities they serve to affect social, individual and family change. Programs include day care and preschool education, employment training and placement, housing, addiction, mental health, women's protective services, nutrition, energy and weatherization, legal services, services for the elderly, emergency shelter, as well as community organizing around health care, housing, rising energy costs and banking services.

SMOC also provides housing services to low- and moderate-income individuals and families including rental assistance programs, loan programs to support home modifications to improve access for the disabled, deleading, and weatherization improvements. Financial assistance is also provided to subsidize the costs of fuel, water and sewer costs to qualifying households. There are also counseling programs available to help renters prepare for homeownership and to assist existing residents in preventing foreclosure.

In 1986, SMOC created a subsidiary non-profit development organization, South Middlesex Non-Profit Housing Corporation, to preserve, improve and develop new housing choices for low- and moderate-income residents, integrating supportive services when appropriate. The Housing Corporation not only develops but owns and manages the agency's real estate as well, both residential and commercial properties, including 600 units ranging from emergency shelters, special needs housing, sober housing, transitional housing for individuals and families, affordable single and family rentals, and first-time homeownership opportunities.

Contact: 508-872-4853

508-620-1230 or 800-286-6776 (for Fuel Assistance)

<http://smoc.org/>

APPENDIX 2

Glossary of Housing Terms

Chapter 40R/40S

State legislation that provides cash incentives to municipalities that adopt smart growth overlay districts that also increase housing production, including affordable housing (see Appendix 3 for details).

Affordable Housing

A subjective term, but as used in this Plan, refers to housing available to a household earning no more than 80% of area median income at a cost that is no more than 30% of total household income. Also referred to as Community Housing.

Area Median Income (AMI)

The estimated median income, adjusted for family size, by metropolitan area (or county in nonmetropolitan areas) that is adjusted by HUD annually and used as the basis of eligibility for most housing assistance programs. Sometimes referred to as “MFI” or median family income.

Chapter 40B

The state’s comprehensive permit law, enacted in 1969, established an affordable housing goal of 10% for every community. In communities below the 10% goal, developers of low- and moderate-income housing can seek an expedited local review under the comprehensive permit process and can request a limited waiver of local zoning and other restrictions, which hamper construction of affordable housing. Developers can appeal to the state if their application is denied or approved with conditions that render it uneconomic, and the state can overturn the local decision if it finds it unreasonable in light of the need for affordable housing.

Chapter 44B

The Community Preservation Act Enabling Legislation that allows communities, at local option, to establish a Community Preservation Fund to preserve open space, historic resources and community housing, by imposing a surcharge of up to 3% on local property taxes. The state provides matching funds from its own Community Preservation Trust Fund, generated from an increase in certain Registry of Deeds’ fees.

Cluster Development

A site planning technique that concentrates buildings in specific areas on the site to allow the remaining land to be used for other uses, most typically open space preservation. Some provisions allow density bonuses for certain conditions of development, including affordable housing.

Comprehensive Permit

Expedited permitting process for developers building affordable housing under Chapter 40B “anti-snob zoning” law. A comprehensive permit, rather than multiple individual permits from various local boards, is issued by the local zoning boards of appeals to qualifying developers (see Appendix 3 for details).

Conservation Development

A project that conserves open space, protects site features and provides flexibility in the siting of structures, services and infrastructure.

Department of Housing and Community Development (DHCD)

DHCD is the state’s lead agency for housing and community development programs and policy. It oversees state-funded public housing, administers rental assistance programs, provides funds for municipal assistance, and funds a variety of programs to stimulate the development of affordable housing.

Design Guidelines

A set of discretionary standards, including design and performance criteria, developed as a public policy to guide the planning and land development.

Easements

The right to use property for specific purposes or to gain access to another property.

Energy Star

A voluntary labeling program of the US Environmental Protection Agency (EPA) and the US Department of Energy that identifies energy efficient products.

Enhanced Single Room Occupancy (ESRO)

A single person room with a private bath and/or kitchen rather than shared facilities.

Expedited Permitting

The state’s Chapter 43D Program allows a community to gain state incentives for projects meeting certain criteria and permitted within a 180-day regulatory process.

Fair Housing Act

Federal legislation, first enacted in 1968, that provides the Secretary of HUD with investigation and enforcement responsibilities for fair housing practices. It prohibits discrimination in housing and lending based on race, color, religion, sex, national origin, handicap, or familial status. There is also a Massachusetts Fair Housing Act, which extends the prohibition against discrimination to sexual orientation, marital status, ancestry, veteran status, children, and age. The state law also prohibits discrimination against families receiving public assistance or rental subsidies, or because of any requirement of these programs.

Form-based Zoning

Zoning regulations that define desired building and site characteristics but do not strictly regulate the uses.

Green Building

A term used to describe buildings that have been designed or retrofitted to reduce energy consumption.

Inclusionary Zoning

Inclusionary zoning is a zoning ordinance or bylaw that requires a developer to include affordable housing as part of a development or contribute to a fund for such housing.

Infill Development

Infill development is the practice of building on vacant or undeveloped parcels in dense areas, especially urban and inner suburban neighborhoods. Such development promotes compact development, which in turn allows undeveloped land to remain open and green.

Jobs/Housing Balance

A measure of the harmony between available jobs and housing in a specific area.

LEED

Leadership in Energy and Environmental Design (LEED) is a voluntary standard for developing high performance, sustainable buildings that significantly reduce energy consumption. There are various standards, including silver, gold and platinum, which are awarded to particular properties through a certification process.

Local Initiative Program (LIP)

LIP is a state program under which communities may use local resources and DHCD technical assistance to develop affordable housing that is eligible for inclusion on the state Subsidized Housing Inventory (SHI). LIP is not a financing program, but the DHCD technical assistance qualifies as a subsidy and enables locally supported developments that do not require other financial subsidies to use the comprehensive permit process. At least 25% of the units must be set-aside as affordable to households earning less than 80% of area median income (see Appendix 3 for more details).

MassHousing (formerly the Massachusetts Housing Finance Agency, MHFA)

MassHousing is a quasi-public agency created in 1966 to help finance affordable housing programs. MassHousing sells both tax-exempt and taxable bonds to finance its many single-family and multi-family programs.

Metropolitan Statistical Area (MSA)

The term, MSA, is also used for CMSAs (consolidated metropolitan statistical areas) and PMSAs (primary metropolitan statistical areas) that are geographic units used for defining urban areas that are based largely on commuting patterns. The federal Office of Management and Budget defines these areas for statistical purposes only, but many federal agencies use them for programmatic purposes, including allocating federal funds and determining program eligibility. HUD uses MSAs as its basis for setting income guidelines and fair market rents.

Mixed-Income Housing Development

Mixed-income development includes housing for various income levels.

Mixed-Use Development

Mixed-use projects combine different types of development such as residential, commercial, office, industrial and institutional into one project.

Overlay Zoning

A zoning district, applied over one or more other districts that contains additional provisions for special features or conditions, such as historic buildings, affordable housing, or wetlands.

Planned Development

A district or project designed to provide an alternative to the conventional suburban development standards that promote a number of important public policy benefits, often including a variety of housing, including affordable housing, and creative site design alternatives.

Public Housing Agency (PHA)

A public entity that operates housing programs: includes state housing agencies (including DHCD), housing finance agencies and local housing authorities. This is a HUD definition that is used to describe the entities that are permitted to receive funds or administer a wide range of HUD programs including public housing and Section 8 rental assistance. The North Reading Housing Authority is the town's public housing authority.

Regional Non-profit Housing Organizations

Regional non-profit housing organizations include nine private, non-profit housing agencies, which administer the Section 8 Program on a statewide basis, under contract with DHCD. Each agency serves a wide geographic region. Collectively, they cover the entire state and administer over 15,000 Section 8 vouchers. In addition to administering Section 8 subsidies, they administer state-funded rental assistance (MRVP) in communities without participating local housing authorities. They also develop affordable housing and run housing rehabilitation and weatherization programs, operate homeless shelters, run homeless prevention and first-time homebuyer programs, and offer technical assistance and training programs for communities. Metropolitan Boston Housing Partnership (MBHP), based in Boston, serves as North Reading's regional non-profit housing organization.

Regional Planning Agencies (RPAs)

These are public agencies that coordinate planning in each of thirteen regions of the state. They are empowered to undertake studies of resources, problems, and needs of their districts. They provide professional expertise to communities in areas such as master planning, affordable housing and open space planning, and traffic impact studies. With the exception of the Cape Cod and Nantucket Commissions, however, which are land use regulatory agencies as well as planning agencies, the RPAs serve in an advisory capacity only. The Metropolitan Area Planning Council (MAPC) serves as North Reading's Regional Planning Agency.

Request for Proposals (RFP)

A process for soliciting applications for funding when funds are awarded competitively or soliciting proposals from developers as an alternative to lowest-bidder competitive bidding.

Section 8

Refers to the major federal (HUD) program – actually a collection of programs – providing rental assistance to low-income households to help them pay for housing. Participating tenants pay 30% of their income (some pay more) for housing (rent and basic utilities) and the federal subsidy pays the balance of the rent. The Program is now officially called the Housing Choice Voucher Program.

Single Room Occupancy (SRO)

A single room occupancy (more commonly SRO, sometimes called single resident occupancy) is a multiple tenant building that houses one or two people in individual rooms (sometimes two rooms, or two rooms with a bathroom or half bathroom), or to the single room dwelling itself. SRO tenants typically share bathrooms and /or kitchens, while some SRO rooms may include kitchenettes,

bathrooms, or half-baths. Although many are former hotels, SROs are primarily rented as permanent residences.

Smart Growth

The term used to refer to a rapidly growing and widespread movement that calls for a more coordinated, environmentally sensitive approach to planning and development. A response to the problems associated with unplanned, unlimited suburban development – or sprawl – smart growth principles call for more efficient land use, compact development patterns, less dependence on the automobile, a range of housing opportunities and choices, and improved jobs/housing balance.

Subsidy

Typically refers to financial assistance that fills the gap between the costs of any affordable housing development and what the occupants can afford based on program eligibility requirements. Many times multiple subsidies from various funding sources are required, often referred to as the “layering” of subsidies, in order to make a project feasible. In the state’s Local Initiative Program (LIP), DHCD’s technical assistance qualifies as a subsidy and enables locally supported developments that do not require other financial subsidies to use the comprehensive permit process. Also, “internal subsidies” refers to those developments that do not have an external source(s) of funding for affordable housing, but use the value of the market units to “cross subsidize” the affordable ones.

Subsidized Housing Inventory (SHI)

This is the official list of units, by municipality, that count toward a community’s 10% goal as prescribed by Chapter 40B comprehensive permit law.

Sustainability

Development that includes a balanced set of integrated principles such as social equity, environmental respect, and economic viability, which preserves a high quality of life for current occupants and future generations.

Transfer of Development Rights (TDR)

A program that coordinates the relocation of development from environmentally sensitive areas that should be preserved as open space to areas that can accommodate higher densities.

Transit Oriented Development (TOD)

Development that occurs within walking distance of public transportation, usually bus or trains, to reduce the reliance on the automobile and typically accommodate mixed uses and higher densities.

U.S. Department of Housing and Urban Development (HUD)

The primary federal agency for regulating housing, including fair housing and housing finance. It is also the major federal funding source for affordable housing programs.

